

ARKANSAS CUT & HAUL -RATES-



1ST QUARTER
2023

Arkansas Center for Forest Business
www.uamont.edu/academics/CFANR/acfb.html

Delivered Prices Increased for Hardwood in 2022

Prices overall fluctuated the most for hardwood pulpwood during the 4th Quarter of 2022. Fluctuations were not as noticeable for pine products as for hardwood. Overall, prices increased from the 4Q 2021 to 4Q 2022 for all hardwood products except oak sawtimber which showed a minor decrease.

Housing starts are slowing, and lumber demand is expected to slow in 2023 driving sawtimber prices down.

| | Average 4Q 2022 | + - % | % Change 3Q 2022 | % Change 4Q 2021 |
|-----------------|--------------------|-------|---------------------|---------------------|
| Pine | | | | |
| Sawtimber | \$49.85 | 12% | 1% | 2% |
| Chip-n-Saw | \$38.91 | 28% | -1% | -3% |
| Pulpwood | \$27.31 | 22% | 0% | 6% |
| Hardwood | | | | |
| Oak Sawtimber | \$73.44 | 32% | 3% | -1% |
| Mxd Sawtimber | \$68.92 | 29% | 4% | 5% |
| Pulpwood | \$34.23 | 35% | 6% | 12% |

Source: TimberMart South, 1st-4th Quarter 2022

Note: Prices in this publication are highly dependent on location, and a variety of other factors and should not be used or construed as actual rates.



Source: TimberMart South, 1st-4th Quarter 2022

Cut & Haul Rates

During 2022, cut and load rates for areas in the Coastal Plain within the South saw a moderate increase early in the year, with prices leveling off towards December.

Haul prices increased over the year as did diesel prices in the Gulf Coast area.

Help Us, Help You!

We want YOU to have the best information possible when making forest business decisions!

Help make information in this report LOCAL by reporting a few numbers each month.

The information is confidential and there is no obligation to report every month. PLEASE REPORT cut & haul rates and/or delivered prices.

Click on the link to request the survey link:

www.bit.ly/sendsurveylink

Or scan the QR code:



Questions?

Reach out to us at forestbusiness@uamont.edu or call Rebecca Montgomery or Ana Gutierrez at (870) 460-1748



ARKANSAS CUT & HAUL -INDICATORS-



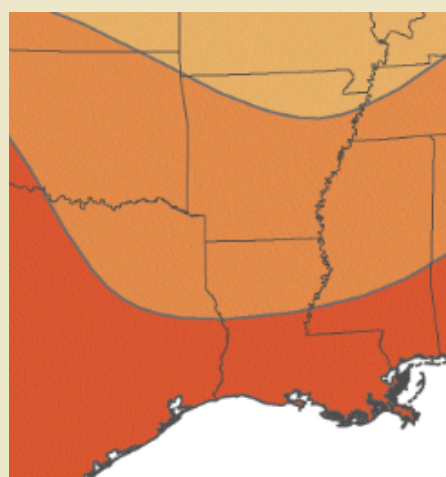
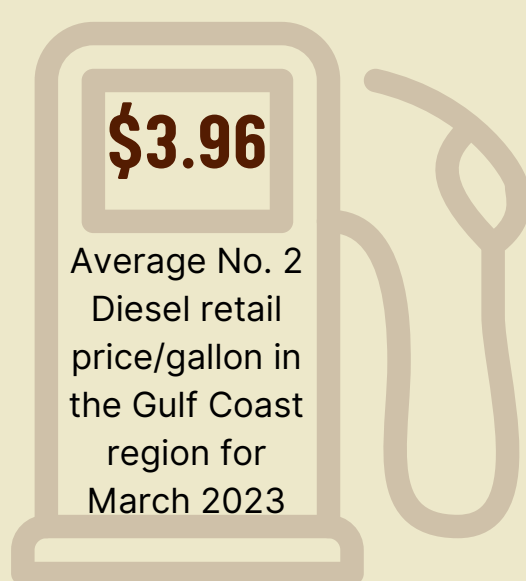
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Diesel Prices Decline During 1st Quarter 2023

-7% Change in the Gulf Coast No. 2 diesel retail price/gallon from January 2 to March 2023

Forecasts by U.S. Energy Information Administration show a decline in diesel prices during 2023.



Source: NWS Climate Prediction Center Seasonal Temperature Outlook for Apr-Jun 2023.

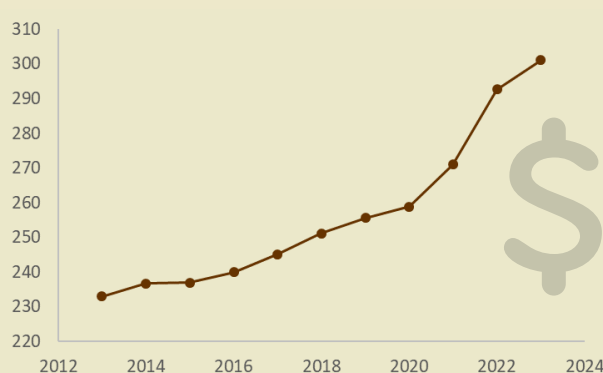
Weather Forecast

Average rainfall is predicted for most of Arkansas for the upcoming quarter (April-June) while temperatures are leaning to be above normal for Arkansas.

Housing Starts and CPI

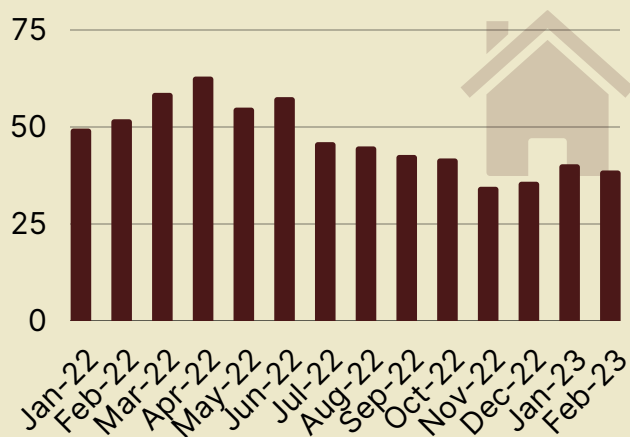
Consumer Price Index (CPI) is a measure of how much the price of goods and services change over time. It can be used to see how inflation affects individuals. Overall, the CPI is up 5.5% year over year (2022-2023).

Average CPI for Urban Consumer



Source: US Bureau of Labor Statistics

Housing Units Started: South (Thousands)



In the South, housing starts in February 2023 (51.9 thousand units) were 25.4% below the February 2022 rate (38.7 thousand units).

Source: US Census Bureau

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ARKANSAS CUT & HAUL -SPOTLIGHT-



1ST QUARTER
2023

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The Pros and Cons of adding a processor to your logging crew

The following information is from a study conducted by Conrad and Dahlen (2019) in pine stands using whole-tree harvesting in Georgia. The full article can be found in the Journal Forest Science.

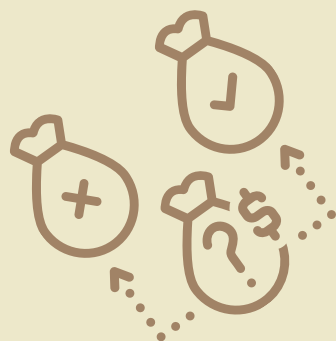
What the study found:

Harvest site planning (skid lengths, number of skidders, etc.) have a greater impact on productivity and cost than whether a company produces tree length wood or processed wood.



Adding a processor to the system highlights the importance of harvest planning; skidding quickly becomes the limiting factor on site.

Due to increased productivity costs, loading costs, and susceptibility to mill quota limits, loggers may need a premium per ton to use processors.



Since most southern mills still accept tree length wood, loggers are unwilling to expend additional funds to purchase a processor without a financial incentive.

Citation: Conrad, IV, Joseph L. Joseph Dahlen. Productivity and Cost of Processors in Whole-Tree Harvesting Systems in Southern Pine Stands. Forest Science, Vol. 65, Issue 6, December 2019, Pages 767-775.

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