



10/29/2025

Re: Real World Real-Time South GA & AL Timber and Land Market Update

Dear Matre Forestry Newsletter Subscribers,

In this newsletter, I will share some Real World Real-Time South GA & AL Timber and Land Market data. We are data driven to help our clients make the best decisions possible regarding their timber and their land investments.

Timber Market Update

Unfortunately Georgia and other states have seen a rash of paper mill closures. In my "back yard", GP Cedar Springs in Early County GA announced on May 14th 2025 that they would close the paper mill (technically a container board mill) on August 1, 2025. This closure, and other paper mill closures, have put an immediate strain on the timber industry and countless businesses that support the industry directly and indirectly. At the ground level, literally, is the timberland owners that grow and sell timber, with pulpwood and sawtimber being their primary products. The price landowners receive for their forest products is referred to as the stumpage price. In this newsletter we will look at a real world example of what our clients have seen happen to their pulpwood stumpage prices since the mill closure.

Just prior to GP's announcement regarding the closure of Cedar Springs, Matre Forestry conducted a per ton bid sale in Clay County GA for a sale with both pulpwood and sawtimber. Clay County is adjacent to Early County and was an important county for the supply of pulpwood at the GP Cedar Springs paper mill. In that sale the AVERAGE pulpwood bid price was \$8.67 per ton. Recently, after the mill closure, we conducted another somewhat similar multi product per ton bid sale also in Clay County. The AVERAGE pulpwood price for the recent sale was \$3.35 per ton, or 61% under the price we received for a somewhat similar sale just prior to the closure announcement.

Keep in mind, both of these case study sales were multi product sales, having both sawtimber and pulpwood. The recent sale had a higher percentage of sawtimber, which actually boosted the pulpwood price in our opinion. Had the sale had a larger component of pulpwood, the AVERAGE pulpwood price would have likely been less than \$3.35. Had the recent sale been all pulpwood, such as a planted pine 1st thinning sale, we would have likely had far fewer bidders, or maybe no bidders. In other words, we are not even trying to sell 1st thinnings at the moment, but after a year or two, we will have to try to get 1st thinnings done somehow for the health of the timber, regardless of pulpwood prices.

Topwood is short "double bunked" pulpwood in the tops of sawtimber trees. In the sale just prior to the mill closure announcement, the AVERAGE topwood bid price was \$4.67 per ton. The somewhat similar recent sale, after the mill closure, had an AVERAGE topwood bid price of \$0.93 per ton, or 80% under the price we received for a somewhat similar sale just prior to the closure announcement.



Above picture: Pulpwood produced from a Matre Forestry conducted 1st thinning in Sumter County GA.

From the landowners perspective, the two huge concerns in areas suffering from paper mill closures is the loss of cash flow and stand health. A close third concern is wildlife habitat management. We need healthy pulpwood markets to be able to thin out young crowded timber, which generates income for the landowner, improves stand health, and enhances wildlife habitat.

Hopefully our remaining paper mills and our OSB mills will stay financially healthy and will remain open. Other than that, we pray emerging markets will come on board, sooner than later. Trees are a very abundant natural and renewable resource with countless uses from bioenergy, biofuels, engineered wood products, and more. Most of us in the timber industry understand the cyclical nature of the business, and we know how resilient the industry is, so us optimist are confident their will be viable future markets for both our young and mature trees.

How does changing pulpwood prices affect the financial performance of a timber investment?

Below, we will look at financial performance of a typical timber rotation with all inputs remaining the same, except the 1st thinning revenues. *Note: Annual cost of \$5 may sound low, but we assume hunting lease revenues in a pure timberland investment will significantly offset annual costs such as property taxes and misc. management expenses. Also, many will do a two thin rotation, but for simplicity I simulated a one thin rotation.*

Sample Southwest GA Timber Rotations in Various Pulpwood Market Conditions				
Discount Rate:	5.00%	5.00%	5.00%	5.00%
Inflation Rate:	0.00%	0.00%	0.00%	0.00%
Rotation Age:	24	24	24	24
Annual Cost:	\$ (5.00)	\$ (5.00)	\$ (5.00)	\$ (5.00)
Regime:	1 (Normal Pulpwood Pricing)	2 (Pulpwood down 50%)	3 (Pulpwood down 100%)	4 (no 1st thin, no pulpwood market at clearcut)
Age Practice	Reforestation	Revenues	Revenues	Revenues
0	\$ (350.00)	\$ (350.00)	\$ (350.00)	\$ (350.00)
13 1st Thin	\$ 500.00	\$ 250.00	\$ -	\$ -
24 Clearcut	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,500.00
	\$ 2,650.00	\$ 2,400.00	\$ 2,150.00	\$ 1,150.00
Net Present Value (NPV, \$):	\$ 638	\$ 505	\$ 373	\$ 63
Internal Rate of Return (IRR, %):	10.57%	9.40%	8.23%	5.71%
Bare Land Value (BLV, \$):	\$ 925	\$ 733	\$ 540	\$ 91

Above, Regime 1 is a typical one planted pine timber rotation prior to these paper mill closures. Regime 2 assumes a 50% reduction in pulpwood price, reducing 1st thinning revenues by half. Regime 3 assumes a 100% pulpwood price reduction, where the 1st thinning is "given away" (the 1st thin can be done, but the landowner gets no revenues). Regime 4 is worst case scenario where the landowner can not get a

thinning done at all, and clearcuts chip-n-saw/sawtimber and has to leave the pulpwood standing because there is no market (not a likely situation).

From Regime 1 to 2, the projection only shows an annual IRR reduction from 10.57% to 9.4%, Regime 3 has 8.23% annual IRR, while the worst case scenario Regime 4 has a dismal IRR of 5.71%. I will say again, Regime 4 is not a likely scenario.

Bare Land Value, which is the Net Present Value of an infinite series of identical timber rotations, takes a more pronounced hit than IRR. Regime 1 has a BLV of \$925 per acre, while Regime 2 has a BLV of \$733 per acre. Regime 3, where the 1st thin gets done but generates no income, the BLV is \$540 per acre. Regime 4 where a 1st thin can not be done at all and where there is no pulpwood market at clearcut has a BLV of a whopping \$91 per acre. I will say it again, Regime 4 is not likely. On a side note, and interesting thing about BLV, is it can show what the recreational, or other, value of bare dirt is. Let's say your best realistic estimates puts a timber tract BLV at \$700 in the dirt. If that tract trades at \$2,000 in the dirt because of demand from hunters, it is reasonable to say that the recreational bare dirt value of said tract is \$1300 per acre (\$2000 - \$700).

Who knows what the future holds, but we will continue to bet on timber and timberland investing. We grow needed and wanted forest products that are renewable and abundant, and we are confident that we will have viable markets for our timber in the near and distant future. Remember, there is a lot of money to be made in current and emerging markets to utilize our abundant young timber historically used as pulpwood, and society will also continuously need sawtimber and countless other solid wood products from our mature timber.

Land Market Update

At [Saunders Land](#), where I am a Senior Advisor & Associate Broker and have been since 2023, we have had a lot of land sales lately, and we need to replenish our inventory of land to sell. If you are considering selling land, please reach out to me or another Saunders Real Estate team members. We are also available to assist with land acquisitions and management and general real estate consulting.

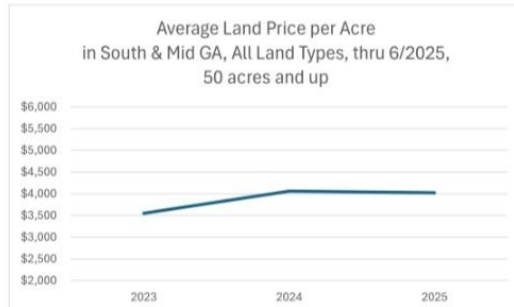
Below are recent transactions I have been involved with, most being my listings, with a couple of Buyer Broker deals thrown in. The transactions below show the wide range in land values across South GA & AL, so if you are considering selling or buying land, I would be happy to provide a detailed tract specific Land Market Analysis and assist you in anyway I can. If it is not something I can assist with, I may be able to point you in the right direction. Experience matters, and me and the rest of the Saunders Land team bring a lot of experience to the table!

2025 Land Sales, Mike Matre, Senior Advisor, & Associate Broker, Saunders Land							
Sale	Purchase Price	Acres	\$ per Acre	State	Region	Mike Matre Roll	Notes
1	\$ 560,448	200	\$ 2,802	GA	Central West	Listing & Selling	Pre-Merch & Merch Timber
2	\$ 868,780	305	\$ 2,848	GA	Southwest	Listing & Selling	Pre-Merch & Merch Timber
3	\$ 1,344,433	640	\$ 2,101	GA	Southwest	Listing	Pre-Merch Timber
4	\$ 185,000	65	\$ 2,846	GA	Southeast	Listing & Selling	Pre-Merch Timber
5	\$ 935,956	203	\$ 4,611	AL	Southeast	Listing & Selling	Merch Timber, HBU
6	\$ 293,600	62	\$ 4,735	GA	Southwest	Listing & Selling	Pre-Merch & Merch Timber
7	\$ 3,050,000	531	\$ 5,744	GA	Southwest	Selling	Farm, Mostly Irrigated
8	\$ 357,081	147	\$ 2,429	GA	Southwest	Listing & Selling	Pre-Merch Timber
9	\$ 380,800	224	\$ 1,700	GA	Southwest	Listing	Cutover & Pre-Merch Timber
10	\$ 2,160,000	593	\$ 3,642	GA	Southwest	Listing	Pre-Merch & Merch Timber, Groomed
11	\$ 1,535,000	230	\$ 6,674	GA	Southwest	Listing & Selling	Merch Timber, Farm, House with little value
12	\$ 3,680,000	995	\$ 3,698	GA	Southwest	Selling	Pre-Merch & Merch Timber
13	\$ 374,000	204	\$ 1,833	GA	Southwest	Listing	Cutover Timber
	\$15,725,098	4399	\$ 3,496				

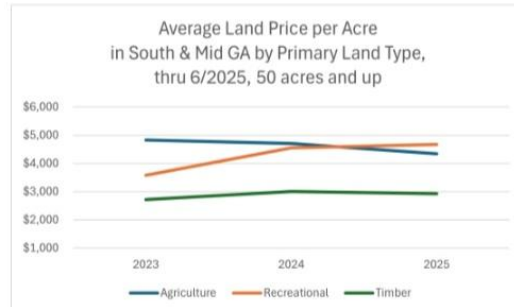
For a detailed look at our Georgia land market, download the latest edition of our [Saunders Land Georgia Lay of the Land Report](#). For a detailed listings of our company wide land listings, download the latest edition of the [Saunders Landbook](#). Or, simply contact me and I will get you some copies. Of course you can browse our listings and learn more about us at <https://land.saundersrealestate.com/>.

Below are a few select sides from recent talks I gave at the Albany and the Valdosta Regional Meetings

Land Values Across Georgia



Every tract of land is unique, so there is a wide range of sale prices in the data, but the average is useful in seeing trends.



On the left, we see that land prices have increased since 2023. This graphic demonstrates where the increase is primarily from - recreational land.

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Above: The above Saunders Land verified sales data demonstrates that the recreational land market is driving the land market. The graph on the right shows that the value of Ag land of all types have declined some, and timberland has plateaued, but land sales classified as higher end recreational have increased. The rec land increase is responsible for the overall increase in land values shown on the graph to the left. *Note: It is somewhat art and somewhat science to distinguish between pure recreational land and timberland, but in general the sales classified as Recreational were likely turnkey ready for hunting with existing food plots and well managed timber, were more likely to be in higher valued counties such as along the Flint River corridor and the GA FL line in Southwest GA, and may or may not have had capital improvements such as a cabin.. Sales classified as timber were likely to be decent hunting tracts, not intensively managed for recreation, were often purchased for a longer term hold for growing and harvesting timber, and likely had no significant capital improvements.

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Mike Matre

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Sincerely,

Mike Matre, ALC, ACF, RF

Georgia & Alabama Registered Forester and Land Broker

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[Click here for Mike Matre's Bio](#)

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