

June 19, 2003

INTERIOR LOG MARKET REPORT

Welcome to the new Interior Log Market Report.

Revenue Branch is publishing the April 2003 average log prices as the first Interior wide log market report. This is the ministry's first report of Interior log prices.

There were 15 companies representing 41 mills reporting for the month of April. The total volume reported was small because of spring break-up, hauling restrictions and because this was the inaugural month for log purchase reporting in the Interior.

The intent of this report is to summarize arms-length primary log purchases by saw mills, shake mills, speciality mills, log home builders, plywood mills, oriented strand board plants, pulp mills and log brokers for coniferous and deciduous species. The report is to be submitted by the 15th of the month for the previous month of log purchases.

For arms-length purchases, we are using the Random Lengths definition in Terms of the Trade, which is "A sale involving 2 parties who are independent of each other. In such a transaction no special consideration, such as preferred pricing arrangements, special services, etc., is made because of one party's relationship to the other. Sales within a company, or other transactions between 2 parties have some legal, financial or other common connection, are, by definition, not arms-length transactions".

In future we will consider separate reports for log market areas within the Interior instead of a single report for the entire Interior. Previous reports will also be available at this location so you can access historic data.

The following reporting instructions form the basis of the report:

Report records of arms-length purchase volume and dollars per cubic metre. For each monthly purchase record:

1. The company, mill number or numbers (if more than one in the aggregate report), month and general location of the reporting mill(s). Where more than one, same company mill is in close proximity the report may be a summary from those mills.



Interior Log Market Report

2. The number of transactions in the aggregate record. Files of the seller's data must be maintained to back up the report for audit by revenue staff.
3. Use the pre-selected log sort types and add comments in the last column of the report if explanation of the produce or price.
4. Volume by species or species group, in cubic metres. If a single species is purchased from one of the grouped species, comments should be made in the last column.
5. Price in (dollars per cubic metre, all found) paid for the species or species group, in Canadian dollars, FOB mill.

Please extend this invitation to report log purchases to all mill operators or log brokers in your area. Revenue Branch will send them the form and instructions, if they contact John Cook, Senior Timber Pricing Forester, Interior, Revenue Branch at 250-356-7675 or John.Cook@gems2.gov.bc.ca

Your help in providing data is appreciated, as are comments and suggestions.