



MEMORANDUM

File: 280-30
195-30/CAAP

MAY 29 1997

To: All Regional Managers

From: The Honourable David Zirnelt
Minister of Forests

Re: *Coast Appraisal Manual*

I hereby approve Amendment 1 to the *Coast Appraisal Manual*. This amendment will come into force on June 1, 1997.

The following section is amended:

Section 3.3 Change timber pricing policy to recognize the difference in values for Douglas-fir.

David Zirnelt
Minister of Forests

Attachment: (1)

cc: Bill Howard, Director, Revenue Branch

All Subscribers, *Coast Appraisal Manual*

- b. if there is no such billing history record, the forest officer will determine the log grade percentages for that species in accordance with Section 3.2.2, (5.).

3.2.4 Damaged Timber

If the regional manager determines that the timber in a cutting authority area is significantly damaged, then Sections 3.2.1, 3.2.2 and 3.2.3 will not apply to the appraisal or reappraisal of the cutting authority area. The log grade percentages for the cutting authority area being appraised or reappraised will be estimated from available site specific information.

3.3 Calculation of Stand Selling Price (SP)

The Species Selling Price (SSP) in \$/m³ for each species of timber is determined using the percentage of each log grade and the corresponding average market value, as follows:

$$SSP = \frac{(\% \text{ grade B}) * (AMV \text{ grade B}) + (\% \text{ grade C}) * (AMV \text{ grade C}) + \text{etc.}}{100}$$

The selling price for each species of timber is rounded to the nearest cent and used in the formula below to determine the stand Selling Price (SP) in \$/m³, as follows:

$$SP = \frac{(\text{balsam SSP}) * (\text{balsam net cruise volume}) + (\text{cedar SSP}) * (\text{cedar net cruise volume}) + \text{etc.}}{\text{Total Net Cruise Volume (m}^3\text{)}}$$

For appraisals and reappraisals, in all cases and without regard to utilization requirements, the stand selling price is based upon the net cruise volumes and species selling prices of the following species of timber:

Alder	Fir
Balsam	Hemlock
Cedar	Lodgepole Pine
Cottonwood	W. White Pine
Cypress	Sitka Spruce
	Engelmann Spruce

Engelmann Spruce

Effective July 1, 1996, all spruce found within the Pemberton, Yale, and Nahatlatch supply blocks will be considered to be Engelmann Spruce for appraisal purposes. In order to calculate the stand selling price for spruce, average log market values for hemlock and balsam will be applied to all spruce cruise volumes for cutting authorities in these supply blocks.

Cutting authorities outside these supply blocks will use hemlock and balsam average log market values for spruce at the time of appraisal or reappraisal where Englemann Spruce is identified as the predominant spruce species in the cruise for the cutting authority or where the district manager verifies that Englemann Spruce is the predominant spruce species in the stand.

Log grade profiles for all types of spruce will be established in accordance with Section 3.2 of this manual.

Douglas-fir

Effective June 1, 1997, all Douglas-fir located in the area described below will be appraised using immature Douglas-fir log AMVs.

This pricing policy will apply to Cortez Island and the Islands found between Vancouver Island and the British Columbia mainland west of a line drawn between Grief Point (Powell River) and the Tsawwassen ferry terminal, and between 50 degrees North latitude and the US border.

3.3.1 Low Volume Cypress Exception

Where the cypress cruise volume is less than 2 000 m³, the J log grade average market value is used for cypress grades D, F, H, I, and J.

This page intentionally left blank