



File: 21760-01

May 12, 2003

**BY EMAIL**

Interior Appraisal Advisory Committee  
Council of Forest Industries

Dear Colleagues:

The purpose of this letter is to begin the process of collecting and publishing Interior Log Prices, based on arms-length transactions.

There are two reasons for publishing Interior Log Prices. First, to establish domestically and to the United States that there is a large, thriving log market in the Interior of British Columbia, and second, to provide useful information to potential bidders on timber sales.

My staff has worked with industry representatives to develop the attached reporting form and instructions, and we are very appreciative of the advice and assistance that has been given to us.

Please circulate this widely to ALL purchasers of logs in the Interior, including saw mills, pulp mills, shake mills, log home builders, plywood plants, etc., who are all asked to report.

All purchasers should begin reporting for the month of April and, as per the instructions, forward the results to Revenue Branch by May 30, 2003. In future, the cut off date for reporting will be the 15<sup>th</sup> of each month.

All individual information collected will be strictly CONFIDENTIAL. The information collected will be summarized and published, similar to what we do on the Coast.



Colleagues

Thank you in advance for your co-operation.

Yours truly,

A handwritten signature in black ink that reads "Bill Howard". The signature is written in a cursive style with a large, stylized initial "B".

Bill Howard  
Director  
Revenue Branch

Attachments

## Monthly Interior Log Market Report

The purpose of this report is so the Forest Service can collect, summarize and publish average log prices and volumes for the interior.

All log purchasers, including sawmills, shake-mills, specialty mills, log home-builders, plywood, OSB plants, and pulpmills, should submit the attached report for coniferous and deciduous purchases.

This report will be submitted by the 15<sup>th</sup> of the month for the previous months log purchases to:

Debra Clifford  
Ministry of Forests,  
Revenue Branch,  
PO BOX 9511 STN PROV GOVT  
Victoria, BC, V8W 9C2

Email: [Debra.Clifford@gems7.gov.bc.ca](mailto:Debra.Clifford@gems7.gov.bc.ca)

All arms-length primary log transactions must be reported. No trades, internal transfer prices or purchases that include logging or other in-kind expenditures as part of the purchase price should be reported. The reported purchase price must be an all found price in dollars per cubic meter.

An arms-length transaction is defined as “A sale involving two 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 two parties having some legal, financial, or other common connection, are, by definition, not arms length transactions”

All individual data will be STRICTLY CONFIDENTIAL and will not be released except in summary form where no individual purchaser or seller can be identified.

### **Reporting Instructions**

Please report records of arms length purchase volume and \$ 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 company mill is in close proximity, the report may be a summary from those mills.
2. The number of transactions in the aggregate record by species. Files of the data must be maintained to back up the report for audit by revenue staff.
3. Use the pre-selected log sort types based on intended end use, and add comments in the last column of the report if explanation of the product or price would be helpful.
4. Enter total volume purchased. Species totals must match.
5. Enter total dollars paid. This must be consistent with the species volumes and prices reported.
6. Volume by species or species groups, in cubic metres. If a single species is purchased from one of the grouped species, comment should be made in the last column. (Convert all transactions to a m<sup>3</sup> basis and retain calculations/documentation).
7. Price in (\$ per cubic metre; all found; including stumpage, bonus and penalties) paid for the species or species group, in Canadian dollars, FOB mill.