



File: 280-20

Ref: 218131

Date: OCT 22 2015

To: Interior Executive Directors

From: Honourable Steve Thomson, Minister of Ministry of Forests, Lands and Natural Resource Operations

Re: Amendment No. 1 to the *Interior Appraisal Manual (IAM)*

The following sections have been amended:

Chapter 6 - The coniferous average sawlog stumpage rates have been updated in Tables 6-1, 6-2, 6-4 and 6-5.

This amendment will come into force on November 1, 2015. Copies of the amendment and the amended *IAM* are available at the following link:

<http://www2.gov.bc.ca/gov/content/industry/forestry/timber-pricing/interior-timber-pricing/interior-appraisal-manual>

Further amendments or revisions to this manual require my approval.

for Steve Thomson
Minister

pc: Steve Kozuki, Director, Timber Pricing Branch
Allan Bennett, Manager, Timber Pricing
Len Marsh, Forest Revenue Manager, Regional Operations Division - South Area
Anthony Giannotti, Tenures Team Leader, Omineca Region

6.1 Coniferous Average Sawlog Stumpage Rates by Forest Zone and Species

1. Each of the following forest zones referred to in Tables 6-1, 6-2, 6-4, 6-5 and 6-6 is made up of the following forest districts and or geographic units:
 - i. North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George (less Robson Valley TSA), Quesnel and Vanderhoof.
 - ii. North East Zone - Fort Nelson and Peace.
 - iii. North West Zone - Coast Mountain (excluding that portion that lies geographically within the North Coast Timber Supply Area), Skeena Stikine.
 - iv. South Central Zone – Williams Lake TSA Blocks A, B, C, D, E & I.
 - v. South East Zone - Okanagan Shuswap, Rocky Mountain, Selkirk, and Thompson Rivers (plus Robson Valley TSA).
 - vi. South West Zone - 100 Mile House, Cascades, and Williams Lake TSA Blocks F, G, H, and J to N.

2. Where a species of coniferous timber is not listed in Table 6-1, 6-2, 6-4 and 6-5, the rate that must be used for that species of timber is the rate listed in the column headed as OTHER.

Table 6-1 Coniferous Average Sawlog Stumpage Rates in \$/m³ by Forest Zone and Species

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	22.62	35.87	23.82	24.25	-	17.51	23.08	-	-	22.03
North East	7.11	-	-	-	-	8.95	9.03	-	-	8.93
North West	7.43	7.82	-	6.73	-	11.15	8.64	-	-	8.45
South Central	1.02	-	0.31	-	-	5.02	8.52	-	-	4.39
South East	18.08	22.77	23.75	18.13	21.78	19.43	19.01	19.66	24.89	20.59
South West	18.53	17.55	17.12	18.84	22.23	25.99	22.16	23.24	-	22.09

¹ Average for the Forest Zone

6.1.1 Community Forest Agreements

1. The sawlog stumpage rate for each species of coniferous timber harvested under any cutting authority issued under a Community Forest Agreement is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.
2. Section 1.4(1)(d), sections 6.1.2 through 6.5 and sections 6.7 through 6.9 do not apply to Community Forest Agreement cutting authorities.
3. The stumpage rate determined under this section is redetermined on August 1 of each year in accordance with this section.

6.1.2 Woodlot Licences

1. Except as provided in subsection (2) of this section, the sawlog stumpage rate for each species of coniferous timber harvested under a cutting permit issued for a woodlot licence with an effective date after November 30, 2008 is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.
2. Where a woodlot licence cutting permit has been issued with an effective date after November 30, 2008 for the purpose of using amounts from an eligible extended road amortization agreement in an appraisal, then the stumpage rate will be determined using the procedures in this manual excluding this section.
3. Except as provided in subsection (4) of this section, the sawlog stumpage rate for coniferous timber harvested under a road permit issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the timber mark applies.
4. Where a woodlot has an eligible extended road amortization agreement before December 1, 2008 the sawlog stumpage rate for a road permit with an effective date on or after December 1, 2008 is calculated using the procedures in section 6.3.
5. The sawlog stumpage rate for each species of coniferous timber harvested under a blanket salvage cutting authority issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the blanket salvage cutting authority applies.
6. The stumpage rate determined under subsections (1), (3) and (5) of this section is redetermined on August 1, each year in accordance with this section.
7. Except as provided in subsections (2) and (4) of this section, sections 1.4(1)(d), 6.1.1, 6.1.3 through 6.5, and sections 6.7 through 6.9 do not apply to Woodlot Licence cutting authorities.

Table 6-2 Community Forest Agreements and Woodlot Licences: Coniferous Average Sawlog Stumpage Rates in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	3.39	5.38	3.57	3.64	-	2.63	3.46	-	-	3.30
North East	1.07	-	-	-	-	1.34	1.36	-	-	1.34
North West	1.11	1.17	-	1.01	-	1.67	1.30	-	-	1.27
South Central	0.25	-	0.25	-	-	0.75	1.28	-	-	0.66
South East	2.71	3.42	3.56	2.72	3.27	2.91	2.85	2.95	3.73	3.09
South West	2.78	2.63	2.57	2.83	3.33	3.90	3.32	3.49	-	3.31

¹ Average for the Forest Zone

6.1.3 Incidental Conifer in Deciduous Leading Stands

1. Except as provided in section 5.1.1(6), this section applies to coniferous timber in a cutting authority area where the total estimated volume of all deciduous species to be harvested is greater than 70% of the total estimated volume of all species to be harvested.
2.
 - a. The stumpage rate for coniferous timber is the rate prescribed in Table 6-3 for the smaller of the area of the forest district/district portion, timber supply area, region, or Area in which the entire cutting authority area for the tenure is located.
 - b. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
3. A stumpage rate determined under subsection 2 must be redetermined on June 1, of each year in accordance with this section.
4. Notwithstanding subsection (2) in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4, and 5.
5.
 - a. In this section the area of a forest district or the area of a timber supply area does not include the area of a park located within that district or timber supply area.
 - b. In this section the area of a Tree Farm Licence will be included in the area of the district or timber supply area in which it is geographically located.

6.2 Cutting Authorities With 5000 m³ or Less Volume

1. Where the total estimated coniferous volume to be harvested in a cutting authority area is 2000 m³ or less, and where the agreement under which the cutting authority authorizing harvesting on the cutting authority area has been issued has a coniferous allowable annual cut of not more than 3000 m³, or no coniferous annual allowable cut:
 - a. The stumpage rate for each species of coniferous timber in the cutting authority area must be determined using the stumpage rate in Table 6-1 for the forest zone in which the cutting authority area is located, except that,
 - i. Where the agreement holder is not required to establish a free growing crop of trees on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the basic silviculture cost¹ for the species in the applicable Interior Area, or
 - ii. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
2. Except as provided in subsection 4 of this section or section 6.2.1, where the total estimated coniferous volume to be harvested on a cutting authority area is 5000 m³ or less, and the cutting authority authorizing harvesting on the cutting authority area is a competitively awarded forestry licence to cut, other than a BCTS licence:
 - a. Except as provided in paragraph (d) of this subsection, the upset stumpage rate for each species of coniferous timber in the cutting authority area will be 70 % of the stumpage rate for that species in Table 6-1 for the forest zone in which the cutting authority area is located, except that,
 - b. Where applications for a forestry licence to cut have been invited with upset stumpage rates determined under this subsection and no applications have been received, the upset stumpage rate for each species of coniferous timber must be the rate requested by the district manager and approved by the regional manager.
 - c. Where the regional manager does not anticipate that applications for a forestry licence to cut will be received due to market conditions or timber profile, the upset stumpage rate for each species of coniferous timber must be the rate requested by the district manager and approved by the regional manager.

¹ From the Interior Basic Silviculture Costs published quarterly and available on the Timber Pricing Branch website.

- g. Salvage cannot occur on a road right-of-way which has an active timber mark associated with it.
 - h. Except as provided in section 2.2.2, a stumpage rate determined under this section is fixed for the term of the cutting authority and all extensions.
5. a. The Damaged Timber sawlog stumpage rate for each species of coniferous timber is the rate in Table 6-4 for the Forest Zone in which the cutting authority area is located.
- b. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
6. The Post-Harvest Material sawlog stumpage rate for each species of coniferous timber is the rate in Table 6-5 for the forest zone in which the cutting authority area is located.

Table 6-4 Coniferous Average Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	13.57	32.28	21.44	14.55	-	13.14	20.78	-	-	13.22
North East	4.27	-	-	-	-	6.71	8.13	-	-	5.36
North West	4.46	7.04	-	4.04	-	8.36	7.78	-	-	5.07
South Central	0.61	-	0.28	-	-	3.77	7.66	-	-	2.63
South East	10.85	20.50	21.38	10.88	19.60	14.57	17.11	14.74	18.66	12.35
South West	11.12	15.80	15.40	11.30	20.01	19.49	19.94	17.43	-	13.25

¹ Average for the Forest Zone

Table 6-5 Coniferous Average Sawlog Stumpage Rates for Salvage of Post-Harvest Material by Forest Zone and Species in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	5.65	28.69	11.91	6.06	-	8.76	11.54	-	-	5.51
North East	1.78	-	-	-	-	4.48	4.52	-	-	2.23
North West	1.86	6.25	-	1.68	-	5.57	4.32	-	-	2.11
South Central	0.25	-	0.25	-	-	2.51	4.26	-	-	1.10
South East	4.52	18.22	11.88	4.53	10.89	9.71	9.51	9.83	12.44	5.15
South West	4.63	14.04	8.56	4.71	11.12	13.00	11.08	11.62	-	5.52

¹ Average for the Forest Zone

6.4.2 Blanket Salvage Cutting Authorities

1. This section may apply to cutting authorities issued under licences with an allowable annual cut or maximum harvest volume; excluding Community Forest Agreements in section 6.1.1, Woodlots Licences in section 6.1.2, BCTS or any timber in the Research Forests noted in Table 6-7.
2. Except as otherwise provided in this section, this section applies to existing blanket salvage cutting authorities and new blanket salvage cutting authorities issued on or after June 1, 2014.
3. For blanket salvage cutting authorities that were issued prior to June 1, 2014, and any cutblocks that were amended into those cutting authorities prior to June 1, 2014, the stumpage rate for each species of coniferous timber on the cutting authority area is the stumpage rate for that species indicated in Table 6-4 for the forest zone in which the cutting authority area is located.
4. For blanket salvage cutting authorities issued on or after June 1, 2014 and any cutblocks amended into those cutting authorities or into cutting authorities issued prior to or after June 1, 2014, where the cutblocks:
 - a. are restricted to a maximum of 15 hectares and in no case greater than 5,000 m³,
 - b. are issued for the purposes of harvesting damaged timber as defined in section 6.4.1(3), and
 - c. are consistent with the district's forest health strategy, thenthe stumpage rate for each species of coniferous timber on the cutting authority area is the stumpage rate for that species indicated in Table 6-4 for the forest zone in which the cutting authority area is located.
5. All blanket salvage cutting authorities are scale based for billing.
6. A stumpage rate determined under this section must be re-determined annually on June 1st in accordance with this section.