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Ministry of Forests
and Range

Revenue Branch

MEMORANDUM

File: 195-30/IAPP

June 17, 2008

BY EMAIL

To: Interior Regional Managers

Re: Market Pricing System - Interior

The following stumpage appraisal parameter values are effective July 1, 2008.

| | |
|-------------------------------|-------|
| Interior Average Market Price | 6.07 |
| Interior Mean Value Index | -9.86 |
| Interior Base Rate | 6.61 |

The three month lumber average market values, consumer price index and United States dollar exchange rate for calculating the average market price and for BC Timber Sales stumpage rates effective July 1, 2008 are attached.



The twelve month lumber and chip average market values and the regional average basic silviculture costs by species, effective July 1, 2008, are also attached.

These parameters can also be found on the Revenue Branch home page on the Internet at:
<http://www.for.gov.bc.ca/hva/timberp/parameters/interior/index.htm>

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Murray Stech
Director
Revenue Branch

Attachments

Interior Regional Managers

pc: Mike Falkiner, Director, Operations, BC Timber Sales

Merva Lyons, Revenue Co-Manager, Southern Interior Forest Region

Jim Schaffhuizen, Revenue Co-Manager, Southern Interior Forest Region

Tracy Hendry, Timber Pricing Co-ordinator, Southern Interior Forest Region

Barry Dobbin, Revenue Manager, Northern Interior Forest Region

Jason Nunn, Timber Pricing Officer, Revenue Branch

Shawn Rice, Timber Pricing Co-ordinator, Northern Interior Forest Region

Tom Casey, Senior Timber Pricing Accountant, Interior, Revenue Branch

Bob Bull, Senior Timber Pricing Forester, Revenue Branch

Kim McGarry, A/Forest Products Values Analyst, Revenue Branch

Steve Fletcher, Senior Timber Pricing Forester, Systems, Revenue Branch

Sabina Ghazarian, Timber Pricing Forester, Systems, Revenue Branch

Jo-Anne White, Timber Pricing Technical Assistant, Revenue Branch

Grant Loeb, Manager, Timber Pricing, Revenue Branch

**AVERAGE MARKET VALUES FOR STUD AND RANDOM LENGTH LUMBER
COINCIDENT ZONING
EFFECTIVE JULY 1, 2008
FOR THE TWELVE MONTHS ENDED MARCH 31, 2008
AVERAGE LUMBER MARKET VALUES (\$/MBM)**

| AMV ZONE | BALSAM | | CEDAR | FIR / LARCH | | HEMLOCK | LODGEPOLE PINE | | WHITE PINE | YELLOW PINE | SPRUCE | |
|-------------|--------|--------|-------|-------------|--------|---------|----------------|--------|---------------|----------------|--------|--------|
| | Stud | Random | All | Stud | Random | All | Stud | Random | All | All | Stud | Random |
| 5 | 200 | 188 | 729 | 200 | 244 | 225 | 200 | 208 | 242 | | 200 | 213 |
| 6 | 200 | 190 | 729 | 200 | 244 | 225 | 200 | 208 | 242 | | 200 | 213 |
| 7 | 205 | 223 | 729 | 205 | 250 | 225 | 205 | 246 | 246 | 246 | 205 | 253 |
| 8 | 199 | 183 | 729 | 199 | 226 | 220 | 199 | 202 | 241 | 239 | 199 | 208 |
| 9 | 172 | 189 | | | | | 172 | 210 | | | 172 | 214 |

For Appraisals Effective March 1, 1993
 Zone 5: Northern Interior & Quesnel
 Zone 6: Skeena
 Zone 7: Southern Interior
 Zone 8: Southern Cariboo
 Zone 9: Fort Nelson - Peace

Verified by:  _____

**AVERAGE MARKET VALUES FOR SMALL LOGS
EFFECTIVE JULY 1, 2008
FOR THE TWELVE MONTHS ENDED MARCH 31, 2008
AVERAGE LUMBER MARKET VALUES (\$/MBM)**

| AMV ZONE | BALSAM | | CEDAR | FIR / LARCH | | HEMLOCK | LODGEPOLE PINE | | WHITE PINE | YELLOW PINE | SPRUCE | |
|-------------|--------|--------|-------|-------------|--------|---------|----------------|--------|---------------|----------------|--------|--------|
| | Stud | Random | All | Stud | Random | All | Stud | Random | All | All | Stud | Random |
| 15 | 182 | 182 | 663 | 182 | 182 | 205 | 182 | 182 | 220 | | 182 | 182 |
| 16 | 182 | 182 | 663 | 182 | 182 | 205 | 182 | 182 | 220 | | 182 | 182 |
| 17 | 187 | 187 | 663 | 187 | 187 | 205 | 187 | 187 | 224 | 224 | 187 | 187 |
| 18 | 181 | 181 | 663 | 181 | 181 | 200 | 181 | 181 | 219 | 217 | 181 | 181 |
| 19 | 157 | 157 | | | | | 157 | 157 | | | 157 | 157 |

For Appraisals Effective December 1, 1994

Zone 15: Northern Interior & Quesnel

Zone 16: Skeena

Zone 17: Southern Interior

Zone 18: Southern Cariboo

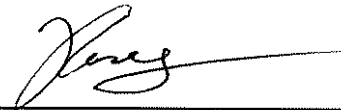
Zone 19: Fort Nelson - Peace

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**AVERAGE MARKET VALUES FOR SMALL LOG LICENSES
EFFECTIVE JULY 1, 2008
FOR THE TWELVE MONTHS ENDED MARCH 31, 2008
AVERAGE LUMBER MARKET VALUES (\$/MBM)**

| AMV ZONE | BALSAM | | CEDAR | FIR / LARCH | | HEMLOCK | LOGEPOLE PINE | | WHITE PINE | YELLOW PINE | SPRUCE | |
|-------------|--------|--------|-------|-------------|--------|---------|---------------|--------|---------------|----------------|--------|--------|
| | Stud | Random | All | Stud | Random | All | Stud | Random | All | All | Stud | Random |
| 25 | 126 | 126 | 729 | 138 | 138 | 225 | 130 | 130 | 169 | | 124 | 124 |

For Appraisals Effective April 1, 1997
Zone 25: Interior

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**AVERAGE MARKET VALUES FOR GRADE 4 HEMLOCK LOGS
EFFECTIVE JULY 1, 2008
FOR THE TWELVE MONTHS ENDED MARCH 31, 2008
AVERAGE LUMBER MARKET VALUES (\$/MBM)**

| AMV ZONE | BALSAM | | CEDAR | FIR / LARCH | | HEMLOCK | LOGEPOLE PINE | | WHITE PINE | YELLOW PINE | SPRUCE | |
|-------------|--------|--------|-------|-------------|--------|------------|---------------|--------|---------------|----------------|--------|--------|
| | Stud | Random | All | Stud | Random | All | Stud | Random | All | All | Stud | Random |
| 35 | 200 | 188 | 729 | 200 | 244 | 189 | 200 | 208 | 242 | | 200 | 213 |
| 36 | 200 | 190 | 729 | 200 | 244 | 200 | 200 | 208 | 242 | | 200 | 213 |
| 37 | 205 | 223 | 729 | 205 | 250 | 212 | 205 | 246 | 246 | 246 | 205 | 253 |
| 38 | 199 | 183 | 729 | 199 | 226 | 205 | 199 | 202 | 241 | 239 | 199 | 208 |

For Appraisals Effective January 1, 1998

Zone 35: Northern Interior & Quesnel

Zone 36: Skeena

Zone 37: Southern Interior

Zone 38: Southern Cariboo

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**INTERIOR AVERAGE CHIP VALUES
EFFECTIVE JULY 1, 2008
For The Twelve Months Ended March 31, 2008**

| APPRAISAL POINT | CODE | WW \$/BDU | CEDAR \$/BDU | APPRAISAL POINT | CODE | WW \$/BDU | CEDAR \$/BDU |
|-----------------|------|-----------|--------------|-----------------|------|-----------|--------------|
| 100 Mile House | 100M | 82 | 62 | Lillooet | LILL | 82 | 62 |
| Adams Lake | ADLK | 106 | 80 | Louis Creek | LSCK | 106 | 80 |
| Armstrong | ARMS | 106 | 80 | Lumby | LUMB | 106 | 80 |
| Bear Lake | BELK | 79 | 59 | Lytton | LYTT | 82 | 62 |
| Boston Bar | BOBA | 82 | 62 | Mackenzie | MKEN | 79 | 59 |
| Burns Lake | BSLK | 79 | 59 | McBride | MBRI | 106 | 80 |
| Canoe | CANO | 106 | 80 | Merritt | MERR | 106 | 80 |
| Carnaby | CARN | 79 | 79 | O.K. Falls | OKFA | 106 | 80 |
| Chasm | CHSM | 82 | 62 | Prince George | PRGE | 79 | 59 |
| Chetwynd | CHET | 77 | 58 | Princeton | PRIN | 106 | 80 |
| Clear Lake | CLLK | 79 | 59 | Quesnel | QUES | 79 | 59 |
| Craigellachie | CRAI | 106 | 80 | Revelstoke | REVE | 106 | 80 |
| Engen | ENGE | 79 | 59 | Smithers | SMIT | 79 | 59 |
| Fort Nelson | FTNE | 77 | 58 | Squamish | SQUA | 82 | 62 |
| Fort St. James | FTJA | 79 | 59 | Strathnaver | STRA | 79 | 59 |
| Fort St. John | FTJO | 77 | 58 | Taylor | TAYL | 77 | 58 |
| Fraser Lake | FRLK | 79 | 59 | Terrace | TERR | 79 | 79 |
| Hazelton | HAZE | 79 | 79 | Upper Fraser | UPFR | 79 | 59 |
| Houston | HOUS | 79 | 59 | Valemount | VALE | 106 | 80 |
| Isle Pierre | ISPI | 79 | 59 | Vanderhoof | VAND | 79 | 59 |
| Kamloops | KAML | 106 | 80 | Vavenby | VAVE | 106 | 80 |
| Kelowna | KELO | 106 | 80 | Westbank | WEST | 106 | 80 |
| Kitwanga | KITW | 79 | 79 | Williams Lake | WILK | 82 | 62 |
| Lavington | LAVI | 106 | 80 | Ymir | YMIR | 106 | 80 |
| Canal Flats | CAFL | 106 | 80 | | | | |
| Castlegar | CAST | 106 | 80 | | | | |
| Cranbrook | CRAN | 106 | 80 | | | | |
| Creston | CRES | 106 | 80 | | | | |
| Elko | ELKO | 106 | 80 | | | | |
| Galloway | GALL | 106 | 80 | | | | |
| Grand Forks | GRFO | 106 | 80 | | | | |
| Midway | MIDW | 106 | 80 | | | | |
| Park Siding | PASI | 106 | 80 | | | | |
| Radium | RADI | 106 | 80 | | | | |
| Slocan | SLOC | 106 | 80 | | | | |
| Thrusms | THRU | 106 | 80 | | | | |
| Ymir | YMIR | 106 | 80 | | | | |

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INTERIOR BASIC SILVICULTURE COSTS BY SPECIES
EFFECTIVE July 1, 2008

Basic Silviculture Costs (\$/m³)

| Region | BALSAM | CEDAR | FIR | HEMLOCK | LARCH | LODGEPOLE PINE | SPRUCE | WHITE PINE | YELLOW PINE |
|-------------------|--------|-------|------|---------|-------|-------------------|--------|---------------|----------------|
| Northern Interior | 3.57 | 3.61 | 3.97 | 3.22 | | 4.04 | 3.67 | | |
| Southern Interior | 3.85 | 4.45 | 4.61 | 4.48 | 4.71 | 4.17 | 4.08 | 3.95 | 6.59 |

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MARKET PRICING SYSTEM LUMBER VALUES (\$/MBM)

FOR THE THREE MONTHS ENDED APRIL 30, 2008

FOR MARKET PRICING STUMPAGE CALCULATIONS BETWEEN July 01 and 31, 2008

| AMV ZONE | BALSAM | CEDAR | FIR / LARCH | HEMLOCK | LODGE-POLE PINE | WHITE PINE | YELLOW PINE | SPRUCE |
|----------|--------|-------|-------------|---------|-----------------|------------|-------------|--------|
| 5 | 176 | 623 | 213 | 247 | 176 | 176 | | 176 |
| 6 | 247 | 623 | | 247 | 176 | | | 176 |
| 7 | 220 | 623 | 217 | 247 | 220 | 220 | 220 | 220 |
| 8 | 175 | 623 | 213 | 247 | 175 | 175 | 175 | 175 |
| 9 | 182 | | | | 182 | | | 182 |

| | |
|---|--------|
| B.C. Consumer Price Index (CPI) (1992 = 100) effective this period: | 131.8 |
| Bank of Canada - US Exchange Rate US\$/C\$ (3 month Average) | 0.9951 |

For Appraisals Effective January 1, 1999

Zone 5: Northern Interior & Quesnel

Zone 6: Skeena

Zone 7: Southern Interior

Zone 8: Southern Cariboo

Zone 9: Fort Nelson - Peace

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Prepared by Revenue Branch, Ministry of Forests and Range