



File: 238249

April 23, 2018

To: Interior Executive Directors

From: Honourable Doug Donaldson, Minister, Ministry of Forests, Lands, Natural Resource Operations and Rural Development

Re: **Amendment No. 3 to the Interior Appraisal Manual (IAM)**

The following sections have been amended:

The regular semi-annual updates of tabular rates (tables 6-1, 6-2, 6-3, 6-4, 6-4a and 6-5). These updates only apply to new woodlot, community forest, blanket salvage or licence-to-cut cutting authorities issued on or after the update date.

This amendment will come into force on May 1, 2018. Copies of the amendment and the amended IAM are available at the following link:

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

Further amendments or revisions to this manual require my approval.

Doug Donaldson
Minister

pc Chris Stagg, Assistant Deputy Minister, Timber Operations, Pricing and First Nations
Vera Sit, Executive Director, Timber Pricing and Softwood Lumber
Allan Bennett, Director, Timber Pricing Branch
Bruce Sullivan, Revenue Officer, Regional Operations Division - South Area
Darius Low, Revenue Team Lead - North Area, Regional Operations Division - North Area

TIMBER PRICING BRANCH

Interior Appraisal Manual

Effective October 1, 2017

Cost Base of: 2015

Includes Amendments

Amendment 1

Amendment 2

Amendment 3

Effective Date

November 1, 2017

March 1, 2018

May 1, 2018



This manual is intended for the use of individuals or companies when conducting business with the British Columbia Government.

Permission is granted to reproduce it for such purposes. This manual and related documentation and publications are protected under the *Federal Copyright Act*. They may not be reproduced for sale or for other purposes without the express written permission of the Province of British Columbia.

6 Miscellaneous Policies

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, 6-4a, 6-5 and 6-6 is made up of the following forest districts and or geographic units:
 - a. North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George (less Robson Valley TSA), Quesnel and Vanderhoof.
 - b. North East Zone - Fort Nelson and Peace.
 - c. North West Zone - Coast Mountain (excluding that portion that lies geographically within the North Coast Timber Supply Area), Skeena Stikine.
 - d. South Central Zone – Williams Lake TSA Blocks A, B, C, D, E & I.
 - e. South East Zone - Okanagan Shuswap, Rocky Mountain, Selkirk, and Thompson Rivers (plus Robson Valley TSA).
 - f. 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, 6-4a 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

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	26.44	-	38.32	27.03	-	23.20	27.99	-	-	27.40
North East	7.91	-	-	-	-	9.33	7.82	-	-	8.20
North West	4.71	11.83	-	2.71	-	17.66	13.06	-	-	8.05
South Central	13.67	-	15.96	-	-	16.93	16.64	-	-	16.93
South East	19.98	22.01	23.74	14.32	23.55	21.47	20.67	17.94	21.79	21.50
South West	24.48	26.69	28.37	29.02	22.85	26.15	25.97	27.14	-	26.92

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 1.4.2, sections 6.1.2 through 6.5, commercial thinning in section 6.6, 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.
4. Notwithstanding subsection (1), (2), and (3), when a cutting authority is issued for the specific purpose to include projects funded by the Forest Enhancement Society of BC, the stumpage rate must be determined through a full appraisal (“fully appraised”). Refer to section 6.11 for details regarding cutting authorities with FESBC funding.

6.1.2 Woodlot Licences

1. Except as provided in subsection (2) and (8) 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 1.4.2, 6.1.1, 6.1.3 through 6.5, commercial thinning and Pre-harvest Waste Assessment in section 6.6, and sections 6.7 through 6.9 do not apply to Woodlot Licence cutting authorities.
8. Notwithstanding subsection (1) through (7), when a cutting authority is issued for the specific purpose to include projects funded by the Forest Enhancement Society of BC, the stumpage rate must be determined through a full appraisal

(“fully appraised”). Refer to section 6.11 for details regarding cutting authorities with FESBC funding.

**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	3.97	-	5.75	4.06	-	3.48	4.20	-	-	4.11
North East	1.19	-	-	-	-	1.40	1.17	-	-	1.23
North West	0.71	1.77	-	0.41	-	2.65	1.96	-	-	1.21
South Central	2.05	-	2.39	-	-	2.54	2.50	-	-	2.54
South East	3.00	3.30	3.56	2.15	3.53	3.22	3.10	2.69	3.27	3.23
South West	3.67	4.00	4.26	4.35	3.43	3.92	3.90	4.07	-	4.04

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.

Table 6-3: Coniferous Average Sawlog Stumpage Rates by Smallest Geographic Unit

TSA is Smallest Geographic Unit			
District	Rate (\$/m ³)	TSA	Rate (\$/m ³)
Cascades	24.02	Lillooet	6.03
		Merritt	27.90
Coast Mountain (excluding North Coast Timber Supply Area)	0.43	Cascadia Blks 9,10,11	0.25
		Kalum	0.25
		Nass	0.26
		Pacific Blks 28A,28B	0.25
Nadina	22.88	Lakes	22.81
		Morice	22.89
Peace	8.20	Dawson Creek	9.29
		Fort St John	6.53
Prince George	29.42	Robson Valley	6.42
Quesnel	26.90	Cascadia Blks 5,6,7,8	26.90
		Quesnel	26.90
Rocky Mountain	21.98	Cranbrook	23.68
		Invermere	17.13
Selkirk	20.12	Arrow	18.75
		Boundary	23.41
		Cascadia Blks 1,2,3	18.75
		Cascadia Blk. 4	5.41
		Golden	22.45
		Kootenay Lake	24.39
		Revelstoke	5.41
Skeena Stikine	14.69	Bulkley	15.16
		Cassiar	0.49
		Kispiox	14.29

District/District Portion is Smallest Unit			
TSA	Rate (\$/m ³)	District/District Portion	Rate (\$/m ³)
Prince George	29.89	Fort St. James	29.17
		Vanderhoof	20.95
Williams Lake	27.90	Cariboo Chilcotin	27.78
		Williams Lake TSA Blks, A, B, C, D, E & I	12.95

District & TSA are the same		
District	TSA	Rate (\$/m ³)
Fort Nelson	Fort Nelson	6.53
Mackenzie	Mackenzie	24.60
Okanagan Shuswap	Okanagan	22.57
Thompson Rivers	Kamloops	22.63
100 Mile House	100 Mile House	31.05

Region is Smallest Unit			
Area	Rate (\$/m ³)	Region	Rate (\$/m ³)
North	21.03	Northeast	8.20
		Omineca	28.02
		Skeena	15.65
South	23.34	Cariboo	28.38
		Kootenay Boundary	20.81
		Thompson-Okanagan	22.91

6.4 Salvage Timber Stumpage Rates

6.4.1 Post-Harvest Material or Damaged Timber

1. This section applies to cutting authorities issued under licences which do not have an allowable annual cut.
2. Post-Harvest Material is defined as:
 - a. wooden culverts and bridges, or
 - b. post logging residue.
3. Damaged Timber is defined as:
 - a. Trees that are dead or damaged as a result of wind, fire, snow press, drought, landslide, flooding; or
 - b. Trees as a result of the effects of forest pests or disease that are dead; or
 - c. Trees that require management and control of insect infestation or will die within one year (sanitation timber salvage), as determined by the district manager.
4. Except as provided in section 6.2.1(1)(c)(ii), the criteria and methodology for the calculation of salvaged timber stumpage rates are:
 - a. Post-harvest material may not be combined in the same cutting authority area with damaged timber.
 - b. Except where damage to adjacent or contiguous timber occurs after harvesting is completed on the adjacent primary logging cutting permit area and the harvesting equipment has been demobilized from the area, damaged timber salvage cutting authority areas must be scattered, and not be adjacent to or contiguous with an existing cutting authority area.
 - c. Cut block(s) must be less than or equal to 5 hectares in size; (unless the silviculture system used on the cut block is other than clear cutting, and at the completion of harvest the trees retained on the harvested area conform to the specifications in the Chief Forester's Reference Guide for Forest Development Plan Stocking Standards for the applicable silviculture system).
 - d. Salvage logging stumpage rates may only be determined for a cutting authority where more than one-third of the total estimated volume of coniferous timber to be harvested in the cutting authority area is damaged timber.
 - e. Post-Harvest Material salvage may only occur after primary logging has been satisfactorily completed and residue and waste assessments have been submitted to and accepted by the Ministry.

- f. Salvage cannot occur on a road right-of-way which has an active timber mark associated with it.
- g. Except for a minister directed reappraisal (as provided in section 2.2.4), 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 or 6-4a for the Forest Zone in which the cutting authority area is located. The stumpage rates in Table 6-4a may be used when the:
- estimated total net coniferous volume of timber on each cutblock is comprised of 80% or more Burnt Timber¹ (Burnt timber means any trees that meet the definition of Fire Codes A, B or C as per the Cruising Manual), and
 - the burnt timber is evenly distributed throughout the cutblock(s).
- 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.
- c. Notwithstanding paragraph (a), the stumpage rate for Damaged Timber may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4 and 5.
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 in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	15.86	-	34.49	16.22	-	17.40	25.19	-	-	16.44
North East	4.75	-	-	-	-	7.00	7.04	-	-	4.92
North West	2.83	10.65	-	1.63	-	13.24	11.75	-	-	4.83
South Central	8.20	-	14.37	-	-	12.70	14.98	-	-	10.16
South East	11.99	19.81	21.37	8.59	21.19	16.10	18.61	13.45	16.35	12.90
South West	14.69	24.02	25.53	17.41	20.57	19.61	23.38	20.36	-	16.15

¹ Average for the Forest Zone

¹ Eighty (80) percent or more of the estimated total net coniferous volume defined as burnt timber in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

Table 6-4a: Coniferous Average Sawlog Stumpage Rates for Salvage of Fire Damaged Timber in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	14.79	-	26.24	15.32	-	11.07	16.22	-	-	15.62
North East	0.89	-	-	-	-	1.37	1.27	-	-	1.28
North West	1.74	5.59	-	1.11	-	7.35	5.34	-	-	3.29
South Central	2.32	-	4.08	-	-	12.70	4.78	-	-	5.12
South East	9.29	12.00	12.42	5.75	12.02	10.25	10.00	8.53	10.83	10.66
South West	13.06	14.47	16.90	16.20	10.59	14.58	14.75	15.05	-	15.48

¹ Average for the Forest Zone

Table 6-5: Coniferous Average Sawlog Stumpage Rates for Salvage of Post-Harvest Material in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	6.61	-	19.16	6.76	-	11.60	13.99	-	-	6.85
North East	1.98	-	-	-	-	4.67	3.91	-	-	2.05
North West	1.18	9.46	-	0.68	-	8.83	6.53	-	-	2.01
South Central	3.42	-	7.98	-	-	8.46	8.32	-	-	4.23
South East	5.00	17.61	11.87	3.58	11.77	10.73	10.34	8.97	10.90	5.38
South West	6.12	21.36	14.19	7.25	11.43	13.08	12.99	13.57	-	6.73

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. Cutblocks amended into blanket salvage cutting authorities prior to February 15, 2016, must use section 6.4.2 of this manual as it was prior to February 15, 2016.
3. Cutblocks amended into blanket salvage cutting authorities on or after February 15, 2016 must be consistent with the Deputy Minister Memo: *Harvesting under a Blanket Salvage Permit (For Interior Regions)* signed January 29, 2016, where the cutblocks must be:
 - a. less than or equal to 15 hectares in size and 5000 m³ in volume; (unless the silviculture system used on the cut block is other than clear cutting, and at the completion of harvest the trees retained on the harvested area conform to the stocking standards specified in an approved Forest Stewardship Plan); and
 - b. issued for purposes of harvesting damaged timber as defined in section 6.4.1 (3); and
 - c. consistent with *District Guidelines for Blanket Salvage Cutting Authorities*.