

# **THE NEED FOR ADEQUATE PRICING AND POLICIES FOR FOREST ASSETS**



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# CHALLENGES

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- Forest not seen as an asset
- Large variation on timber production practices
- Market value of timber resources varies tremendously

## FOREST NOT SEEN AS AN ASSET

- Tax Policies to promote land use provides incentive to deforest , Example Brazil

Size of property (ha)	area being used for agriculture (%)				
	<30	31 to 50	51 to 65	66 to 80	80>
<50	1	0.7	0.4	0.2	.03
51 to 200	2	1.4	0.8	0.4	0.07
201 to 500	3.3	2.3	1.3	0.6	0.1
501 to 1000	4.7	3.3	1.9	0.85	0.15
1001 to 5000	8.6	6	3.4	1.6	0.3
>500	20	12	6.4	3	0.45

# LARGE VARIATION ON TIMBER PRODUCTION PRACTICES

- Taxes and fees tend to be based on the output ( m<sup>3</sup> of timber) but costs of practices vary:
  - Clear cut. Large volumes lowest cost, varied output, zero sustainability (land conversion)
  - forest management. High cost, relative low volume, varied output long sustainability
  - Plantations. high cost , high volume of one of few species, varied sustainability

# MARKET VALUE OF TIMBER RESOURCES VARIES TREMENDOUSLY

- Timber market encompasses species that have different uses (lumber, decks, veneer, pulp) , and different values for the same use
- Timber market encompasses species that have different values for the same use
- Availability of timber species in the forest varies significantly affecting price

## Domestic Sawnwood Prices

	US\$ per m <sup>3</sup>
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	809
Jatoba	408
Massaranduba	387
Muiracatiara	379
Angelim Vermelho	356
Mixed red and white	231
Eucalyptus (AD)	184

## Export Sawnwood Prices

	US\$ per m <sup>3</sup>
Sawnwood, Belem/Paranagua Ports, FOB	
Ipê	1472
Jatoba	903
Massaranduba	842
Muiracatiara	839

**0.11 to 0.34 trees/ha**  
**1 tree =5 to 8 m<sup>3</sup>**  
**Sawnwood= 2.2 to 3.3 m<sup>3</sup>/tree**

### HIGH VALUE

*Tabebuia* sp.: Ipê-amarelo/Ipê-roxo  
*Cedrela odorata*: Cedro/Cedro-vermelho  
*Mezilaurus itauba*: Itaúba

### MEDIUM VALUE

*Cordia goeldiana*: Freijó  
*Dinizia excelsa*: Angelim-pedra/Angelim Vermelho/  
 Faveira-ferro  
*Dipteryx odorata*: Cumarú  
*Erisma uncinatum*: Cambará/Cedrinho  
*Goupia glabra*: Cupiúba  
*Hymenaea courbaril*: Jatobá  
*Manilkara huberi*: Maçaranduba  
*Apuleia leiocarpa*: Amarelão

*Bagassa guianensis*: Garrote/Tatajuba  
*Jacaranda copaia*: Caroba/Parapará

### LOW VALUE

*Anacardium* sp.: Caju/Cajuaçu/Cajueiro  
*Brosimum parinarioides*: Amapá  
*Carapa guianensis*: Andiroba  
*Caryocar glabrum*: Piquiarana  
*Ceiba pentandra*: Sumaúma/Barriguda  
*Copaifera* sp.: Copaíba  
*Enterolobium schomburgkii*: Fava-orelha-de-macaco  
*Hura crepitans*: Assacú  
*Schizolobium amazonicum*: Bandarrra/Paricá  
*Simarouba amara*: Caxeta/Marupá  
*Parkia* sp.: Fava/Faveira/Rabo-de-arara/  
 Orelha-de-macaco

