

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, Hawaii 96813

November 9, 2018

Chairperson and Members
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Land Board Members:

SUBJECT: REQUEST APPROVAL OF STATEWIDE FOREST PRODUCTS PRICE LIST FOR RESOURCES SOLD FROM LANDS MANAGED BY THE DIVISION OF FORESTRY AND WILDLIFE.

This board submittal requests approval of the Forest Products Price List for Resources (Exhibit A) sold from lands managed by the Division of Forestry and Wildlife, pursuant to Title 13, Chapter 104, "Rules Regulating Activities within Forest Reserves," Hawaii Administrative Rules (HAR) and Chapter 183 and 195F, Hawaii Revised Statutes (HRS).

BACKGROUND

The Division of Forestry and Wildlife periodically sells timber and other forest products as permitted under §183-16.5, HRS, "Harvesting from state-owned lands" and §104-22, HAR, "Commercial harvest permits." Revenue generated from such sales from land in Forest Reserve System is deposited in the Forest Stewardship Special Fund pursuant to §183-16 and correspondingly in §195F-4, HRS. Section 195F-4, HRS, provides that this revenue shall be used for (i) replanting, managing, and maintaining designated timber management area; (ii) enhancing the management of public forest reserves with an emphasis on restoring degraded koa forests; and (iii) developing environmental education and training programs pertaining to sustainable forestry. Examples of forest products that are commonly provided include (1) removal of a live native tree that is presenting a hazard to public safety or infrastructure such as fences, roads or buildings; (2) the salvage of a dead tree along a road way or trail; (3) harvest of bamboo poles for various purposes; (4) collection of Cook pine seedlings for wind break plantings; among others.

On January 28, 2005, the Board of Land and Natural Resources established the forest product fee schedule to standardize pricing that is consistently applied statewide across Division managed lands. The Board also authorized the Chairperson to approve any future adjustments to the forest product fee schedule based on market and industry assessments conducted by the Division. The forest product fee schedule was last updated in May 10, 2013 (Exhibit B).

DISCUSSION

The price list includes the most common forest products sold from Division-managed lands including timber, post wood, firewood and other forest products and represents the common market prices for each species and/or type of product. The price list is used to guide the sales price of the forest product offered and/or requested. At the discretion of the Division, prices may be set higher or lower than the values listed as may be warranted for reasons including, but not limited to: timber resource remoteness; difficulty of access; low or higher wood quality, defects or decay; the sale of small timber quantities that may not be economically efficient; or timber resources that are widely dispersed over a given project area. In addition to direct sales from the forest product price list, the Division also provides specific contracts and/or timber land licenses for larger scale harvesting of forest products via a request for proposal process for which the forest product price list services as a guide to prospective bidders.

To account for market developments over the past five years and update the price list according to current market values, the Division contracted a consultant to conduct a detailed price analysis for the various timber species found within the Division's managed lands. The analysis included a market data and price survey of major wood market participants, larger retailers, industry associations, and Division offices statewide. Based on the analysis, the Division has updated the forest product price list (Exhibit A) by:

1. Adjusting the prices to current market values;
2. Adding significant forest products that were not originally included; and
3. Adding pricing for decked (i.e., harvested, transported, and piled) logs.

As part of this revision to the forest product fee schedule, the Division and Department of Attorney General noted that the correct name for this type of list is a price list and not a fee schedule. A fee schedule more commonly refers to fees associated with services rendered based on a cost per hour or service provided. Alternatively, prices associated with the sale of forest products are based on a market analysis for the sale of those products, which may change depending on market conditions. The Division is thus requesting approval of the Forest Product Price List for Resources. The Division will continue to review and update the forest product price list to account for market developments as needed, but at a minimum of every five to six years.

CHAPTER 343 – ENVIRONMENTAL COMPLIANCE

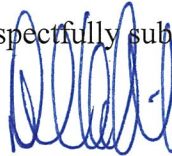
The action of setting a forest product price list does not result in use of state or county land or funds. Thus Chapter 343, Hawai'i Revised Statutes (HRS), and Section 11-200-8, Hawai'i Administrative Rules (HAR) does not apply, pursuant to §343-5(a)(1), HRS.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Approve the Forest Products Price List for Resources Sold from Division-managed lands.
2. Authorize the Chairperson to approval future adjustments to the forest product price list based on market and industry assessments conducted by the Division.

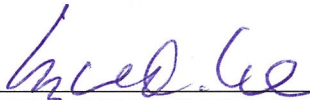
Respectfully submitted,



David G. Smith, Administrator
Division of Forestry and Wildlife

Attachments: Exhibit A, Exhibit B

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Exhibit A

**Forest Products Price List for Resources Sold from Lands Managed
By the State of Hawaii,
Department of Land and Natural Resources,
Division of Forestry and Wildlife**

As provided in Title 13, Chapter 104, "Rules Regulating Activities within Forest Reserves," Section 18, the following price list will be effective as of _____.

DLNR retains the right to a) auction forest products and b) to set forth forest products purchase agreements that include prices that may deviate from this price list.

A. Timber:

Species	Common Name	In Field Price / Board Foot	Decked Logs Price / Board Foot
<i>Alnus nepalensis</i>	Nepal alder	\$0.40	\$2.00
<i>Araucaria</i> spp.	Norfolk/Cook Island pine	\$0.50	\$2.25
<i>Casuarina</i> spp.	Ironwoods	\$0.30	\$1.50
<i>Cryptomeria japonica</i>	Sugi	\$3.00	\$5.00
<i>Cupressus macrocarpa</i>	Monterey cypress	\$0.50	\$2.25
<i>Eucalyptus</i> spp.	Eucalyptus	\$0.30	\$1.50
<i>Flindersia brayleyana</i>	Queensland maple	\$0.50	\$2.25
<i>Fraxinus uhdei</i>	Tropical ash	\$0.50	\$2.25
<i>Grevillea robusta</i>	Silk oak	\$0.40	\$2.00
<i>Lophostemon confertus</i>	Brushbox	\$0.30	\$1.50
<i>Mangifera indica</i>	Mango	\$0.40	\$2.00
<i>Melaleuca quinquenervia</i>	Paper bark	\$0.30	\$1.50
<i>Falcataria moluccana</i>	Albizia	\$0.30	\$1.50
<i>Samanea saman</i>	Monkeypod	\$0.30	\$1.50
<i>Pinus</i> spp.	Pine	\$0.30	\$1.50
<i>Sequoia sempervirens</i>	Redwood	\$3.00	\$5.00
<i>Toona ciliata</i>	Toon	\$1.00	\$3.00
<i>Calophyllum inophyllum</i>	Kamani	\$1.75	\$3.50
Other non-native species	Various	various	various
<i>Acacia koa</i>	Koa	\$11.00	\$22.00
<i>Metrosideros polymorpha</i>	Ohia	\$0.75	\$3.75
<i>Cordia subcordata</i>	Kou	\$0.40	\$2.00
<i>Thespesia populnea</i>	Milo	\$4.00	\$8.00
<i>Cinnamomum burmanii</i>	Indonesian Cinnamon	\$1.75	\$3.50
<i>Cinnamomum camphora</i>	Cinnamon Camphora	\$1.75	\$3.50
Other native species	Various	various	various

B. Firewood:

Unprocessed dead or down non-native species: \$10.00 per cubic yard, \$10.00 minimum. (Note: pickup truck beds are assumed to hold approximately 1-2 cubic yards depending on size).
 Processed non-native species: \$10.00 per Five (5) gallon Bucket/Bag

C. Post Wood:

Species	Common Name	Minimum price per linear foot
-----post large-end diameter < eight (8) inches-----		
<i>Cibotium</i> spp.	Hapuu	\$1.50
<i>Metrosideros polymorpha</i>	Ohia	\$0.50 per inch diameter (large end)
<i>Cryptomeria japonica</i>	Sugi	\$0.50 per inch diameter (large end)
Non-native species ¹	Various	\$0.40 per inch diameter (large end)
-----post large-end diameter ≥ eight (8) inches-----		
<i>Cibotium</i> spp.	Hapuu	\$1.50
<i>Metrosideros polymorpha</i>	Ohia	\$1.00 per inch diameter (large end)
<i>Cryptomeria japonica</i>	Sugi	\$1.00 per inch diameter (large end)
Non-native species	Various	\$0.80 per inch diameter (large end)

¹Non-native species with a large-end diameter less than four (4) inches shall be sold under the "Other Forest Products" schedule listed below.

D. Other Forest Products:

Material	Unit	Unit Target Cost
Poles or stakes	Stalk ²	\$2.00 ⁴
Cuttings and fruits ³	Five (5) Gallon Bucket/Bag	\$5.00 ⁴
Maile	One (1) Gallon Bucket/Bag	\$10.00 ⁴
Kiawe (<i>Prosopis pallida</i>) Wood Chips	One (1) Gallon Bucket/Bag	\$5.00
Other Wood chips	Cubic Yard	\$30.00
Lycopodium tips	1 Gallon Bucket/Bag	\$5.00 ⁴
Uluhe tips	1 Gallon Bucket/Bag	Various ⁴
Ohelo berries	1 Gallon Bucket/Bag	\$5.00 ⁴
Seedlings ⁵	Each	50 % of Nursery prices ⁶
Christmas Trees	Each	\$10.00 ⁷
Mushrooms	1 Gallon Bucket/Bag	\$5.00 ⁴
Banana stumps	Stumps ⁸	\$2.00 ⁴

² Stalks are defined as poles or stakes of non-native species only and less than four (4) inches large-end diameter, including but not limited to bamboo and guava. Stalks greater than four (4) inches large-end diameter shall be sold under the "Post Wood" schedule listed above. Stalks are assumed

to be 10 feet in length, thus unauthorized harvest of bamboo, guava or other species will be enforced on a \$0.20 per linear foot basis.

³ Cuttings and fruits of non-native species or common native species, including but not limited to pine boughs or cones, flowers, lei making materials, seeds, and fruits.

⁴ Those requesting harvest of three (3) or less poles, stakes or banana stumps, or one (1) bucket or less of cuttings and fruits, uluhe tips or mushrooms for personal and non-commercial use will be issued a Collection Permit at no charge. Collection Permits may be issued for larger quantities of poles/stakes or cuttings/fruits at no charge for special or cultural events if the request is submitted in writing on official letterhead of an agency or organization, the proposed use of the material is detailed, and if the material will not be subsequently sold or incorporated into a product(s) for re-sale. Commercial applicants are not eligible for any quantity of resources free of charge.

⁵ Seedlings collected from Forest Reserves are trees less than eighteen (18) inches tall. Trees greater than eighteen (18) inches tall will be sold as stalks or poles.

⁶ Nursery prices are subject to trends in local market. Contact the branch office for an updated price list.

⁷ Christmas Trees are non-native trees that are under fifteen (15) feet tall. Trees greater than fifteen (15) feet tall will be sold as timber.

⁸ Banana stumps are any diameter banana stumps and are no longer than ten (10) linear feet.

E. Kiln Services:

Service	Unit	Unit Cost
Kiln Services	1 - 900 Board Feet	\$0.70 each
	901 - 1,000 Board Feet	\$0.60 each
	1,001 - 1,500 Board Feet	\$0.50 each
	1,501 and up Board Feet	\$0.40 each

As per the _____ Item _____ approved board submittal (see attached), the Chairperson is authorized to approve adjustments to the forest products price list based on market and industry assessments conducted by the Division.

Approve

Disapprove

Suzanne B. Case, Chairperson
Department of Land and Natural Resources

Date

Exhibit B

**Forest Products Fee Schedule for Resources Sold from Lands Managed
By the State of Hawaii,
Department of Land and Natural Resources,
Division of Forestry and Wildlife**

As provided in Title 13, Chapter 104, "Rules Regulating Activities within Forest Reserves," Section 18, the following fees will be effective as of May 10, 2013.

All commercial harvest permits issued for forest products will include a base processing fee of \$10.00 plus the following unit costs:

A. Timber Stumpage:

Species	Common Name	Minimum/ Board foot	Target price/ Board foot
<i>Alnus nepalensis</i>	Nepal alder	\$0.20	\$0.30
<i>Araucaria</i> spp.	Norfolk/Cook Island pine	\$0.30	\$0.40
<i>Casuarina</i> spp.	Ironwoods	\$0.10	\$0.20
<i>Cryptomeria japonica</i>	Sugi	\$0.80	\$1.20
<i>Cupressus macrocarpa</i>	Monterey cypress	\$0.30	\$0.40
<i>Eucalyptus</i> spp.	Eucalyptus	\$0.10	\$0.20
<i>Flindersia brayleyana</i>	Queensland maple	\$0.30	\$0.40
<i>Fraxinus uhdei</i>	Tropical ash	\$0.30	\$0.50
<i>Grevillia robusta</i>	Silk oak	\$0.20	\$0.30
<i>Lophostemon confertus</i>	Brushbox	\$0.10	\$0.20
<i>Mangifera indica</i>	Mango	\$0.20	\$0.30
<i>Melaleuca quinquenervia</i> .	Paper bark	\$0.10	\$0.20
<i>Parasarianthes falcateria</i>	Albizzia	\$0.10	\$0.20
<i>Pithecellobium saman</i>	Monkeypod	\$0.10	\$0.20
<i>Pinus</i> spp.	Pine	\$0.10	\$0.20
<i>Sequoia sempervirens</i>	Redwood	\$0.80	\$1.20
<i>Toona ciliata</i>	Toon	\$0.40	\$0.80
Other non-native species	Various	\$0.10	various
<i>Acacia koa</i>	Koa	\$3.00	\$5.00
<i>Calophyllum inophyllum</i>	Kamani	\$0.20	\$0.30
<i>Metrosideros polymorpha</i>	Ohia	\$0.50	\$1.00
<i>Saccharum officinarum</i>	Ko	\$0.20	\$0.30
Other native species	Various	\$0.50	various

B. Firewood:

Any dead or down non-native species: \$10.00 per cubic yard, \$10.00 minimum.
 (Note: pickup truck beds are assumed to hold approximately 1-2 cubic yards depending on size).

C. Post Wood:

Species	Common Name	Minimum price per linear foot
----- post large-end diameter < eight (8) inches -----		
<i>Cibotium</i> spp.	Hapuu	\$1.50
<i>Metrosideros polymorpha</i>	Ohia	\$0.50 per inch diameter (large end)
<i>Cryptomeria japonica</i>	Sugi	\$0.50 per inch diameter (large end)
Non-native species ¹	Various	\$0.40 per inch diameter (large end)
----- post large-end diameter ≥ eight (8) inches -----		
<i>Cibotium</i> spp.	Hapuu	\$1.50
<i>Metrosideros polymorpha</i>	Ohia	\$1.00 per inch diameter (large end)
<i>Cryptomeria japonica</i>	Sugi	\$1.00 per inch diameter (large end)
Non-native species	Various	\$0.80 per inch diameter (large end)

¹Non-native species with a large-end diameter less than four (4) inches shall be sold under the "Other Forest Products" schedule listed below.

D. Other Forest Products:

Material	Unit	Unit Cost
Poles or stakes ²	Stalk	\$2.00 ⁴
Cuttings and fruits ³	Five (5) Gallon Bucket/Bag	\$5.00 ⁴
Maile	One (1) Gallon Bucket/Bag	\$1.00
Wood chips	Cubic Yard	\$30.00
Lycopodium tips	1 Gallon Bucket/Bag	Various
Uluhe tips	1 Gallon Bucket/Bag	Various

² Stalks are defined as poles or stakes of non-native species only and less than four (4) inches large-end diameter, including but not limited to bamboo and guava. Stalks greater than four (4) inches large-end diameter shall be sold under the "Post Wood" schedule listed above. Stalks are assumed to be 10 feet in length, thus unauthorized harvest of bamboo, guava or other species will be enforced on a \$0.20 per linear foot basis.

³ Cuttings and fruits of non-native species or common native species, including but not limited to pine boughs or cones, flowers, lei making materials, seeds, and fruits.

⁴ Those requesting harvest of three (3) or less poles or stakes, or one (1) bucket or less of cuttings and fruits for personal and non-commercial use will be issued a Collection Permit at no charge. Collection Permits may be issued for larger quantities of poles/stakes or cuttings/fruits at no charge for special or cultural events if the request is submitted in writing on official letterhead of an agency or organization, the proposed use of the material is detailed, and if the material will not be subsequently sold or incorporated into a product(s) for re-sale. Commercial applicants are not eligible for any quantity of resources free of charge.

E. Services: Kiln Fee Schedule

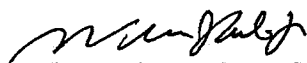
Service	Unit	Unit Cost
Kiln Services	1 – 1000 Board Feet	\$0.65 each
	1001 – 1500 Board Feet	\$0.55 each
	1501 – and up Board Feet	\$0.50 each

As per the January 28, 2004 Item C-2 approved board submittal (see attached), the Chairperson is authorized to approve adjustments to the forest products fee schedule based on market and industry assessments conducted by the Division.

Approve

Disapprove

RWK



William J. Aila Jr., Chairperson
Department of Land and Natural Resources

3/18/03

Date