



## Kiri Lumber Pricing

The price of Kiri lumber varies depending on the grade of the log. Values vary from US\$6.60 per board foot (US\$2,800 per m<sup>3</sup>) to US\$2.00 per board foot (US\$895 per m<sup>3</sup>).

The established Japanese market for Kiri has the highest quality Kiri logs fetching US\$6.60 per board foot (US\$2,800 per m<sup>3</sup>). Imports are presently coming from USA, China, Taiwan and South America. Only China has a significant Kiri plantation resource, and little more is likely to enter world trade because of severe shortages within China. China and Japan are currently the largest importers of Kiri lumber.

As a guide based on ECO2's experience, Grade A Kiri wood logs are straight with a cantered pith, round with no defects, the annual rings are tight and even and generally constitute 25% of a harvest within the Forestry Plan. 45% of a Forestry Plan Plantation will be grade B. Grade B logs are allowed to have a couple of slight surface imperfections and one defect. 30% of a Plantation will be grade C. Grade C logs must have at least four annual rings per inch. Two defects are allowed.

### ***Prices for each grade are outlined below (all values are in US dollars):***

- Grade A - around \$4.50 per board foot / \$1,903 per m<sup>3</sup>
- Grade B - around \$3.50 per board foot / \$1,480 per m<sup>3</sup>
- Grade C - around \$2.00 per board foot / \$826 per m<sup>3</sup>

### ***In China the 2008 prices of Kiri logs were:***

- Grade A
  - High \$6.10 per board foot / \$2,583 per m<sup>3</sup>
  - Low \$4.49 per board foot / \$1,903 per m<sup>3</sup>
- Grade B
  - High \$3.75 per board foot / \$1,586 per m<sup>3</sup>
  - Low \$2.24 per board foot / \$951 per m<sup>3</sup>

\* (1 cubic meter=423 board feet)

### ***In Australia the 2008 wholesale price of Kiri lumber was:***

- Grade A - around \$3.29 per board foot / \$1,392 per m<sup>3</sup>
- Grade B - around \$2.61 per board foot / \$1,106 per m<sup>3</sup>
- Grade C - around \$1.95 per board foot / \$825 per m<sup>3</sup>

The properties of the Kiri Tree established over a long period of time have led to sound markets and good prices for the lumber.

While an existing Kiri lumber market exists, the most significant market and opportunity for the sale of Kiri Lumber is the replacement of harvested rainforest lumber of which there exists a scarcity in supply and significant environmental impact. A continued increase in demand for lumber is evident while supply from traditional sources is diminishing. This widening gap between supply and demand needs to be met through environmentally responsible reforestation projects such as those implemented through the ECO2's Forestry Plan.