

2009 Board Foot Stumpage Income

ZONE	\$ per 1 Board Foot	
1	\$	0.3389
2	\$	0.2918
3	\$	0.1682
4	\$	0.1176

2003 Board Foot Stumpage Income

ZONE	\$ per 1 Board Foot	
1	\$	0.2963
2	\$	0.2706
3	\$	0.2239
4	\$	0.2603
5	\$	0.1383

2003 Grade	2003 Cubic Feet per Acre	Conversion to BF/Ac	
		High range of Prod	Low range of Prod.
Class I (excellent):	85+	348.5	
Class II (good):	65-84.99	266.5	348.459
Class III (fair):	45-64.99	184.5	266.459
Class IV (poor)	25-44.99	100	184.459
Noncommercial:	< 25 CF/Ac	< 100 BF/Ac	

Converting Cubic Feet per Acre to Board Feet per acre will vary by location. In general the conversion factor will be between 3 and 5 board feet for every cubic foot of production. For these examples a conversion factor of 4.10 was generally used.

Calculating the per-acre value based on a class/grade uses the midpoint of production to value all lands with the same grade. There is no distinction made between the high end of production versus the low end of production. All land with that particular grade within a particular forest land zone receive the same per-acre value.

2009 Adjusted Forest Costs

ZONE	Forest Costs	NET AG INCOME	Adjusted Forest Costs
1	\$ 14.94	\$1.61	\$ 13.33
2	\$ 10.60	\$1.37	\$ 9.22
3	\$ 2.71	\$1.31	\$ 1.40
4	\$ 1.63	\$2.05	\$ (0.42)

2003 Adjusted Forest Costs

ZONE	Forest Costs	NET AG INCOME	Adjusted Forest Costs
1	\$ 10.89	\$1.29	\$ 9.61
2	\$ 9.80	\$1.10	\$ 8.70
3	\$ 5.25	\$1.07	\$ 4.18
4	\$ 3.98	\$0.85	\$ 3.13
5	\$ 4.07	\$1.50	\$ 2.56

2009 CAPITALIZATION RATE

*HB658 implemented a fixed 8% cap rate for all forest properties.

2003 CAPITALIZATION RATE

ZONE	EFFECTIVE TAX RATE	DISCOUNT RATE	CAPITALIZATION RATE
1	0.23	8.18	8.40
2	0.27	8.18	8.44
3	0.28	8.18	8.45
4	0.23	8.18	8.40
5	0.22	8.18	8.39

2009 Calculation of per acre value

Example1 (in Zone 1, northwest Montana)

M = 200 board feet per-acre

SV = \$0.3389

AI = \$1.61

C = \$14.94

R = 8% (.08)

$$(((200 \times \$0.3389) = \$67.78 + \$1.61) - \$14.94) = \$54.45 = \$680.63 \text{ per-acre}$$

8%

Calculation of the 2009 VBR

$$(((200 \times \$0.2963) = \$59.26 + \$1.29) - \$10.89) = \$49.66 = \$591.19 \text{ per-acre}$$

8.40%

The same 2009 weighted mean productivity

2009 Value	\$ 680.63
2008 Calculated VBR	\$ 591.19
Difference	\$ 89.44
Phase in Amount	\$ 14.91
2009 Phase in Value	\$ 606.10