

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Montana State Office

5001 Southgate Drive, P.O. Box 36800

Billings, Montana 59107-6800

<http://www.mt.blm.gov/>

In Reply To:

5420(923)P

October 22, 2004

EMAIL TRANSMISSION - 10/25/04
Instruction Memorandum No. MT-2005-004
Expires: 9/30/06

To: Field Managers

From: Deputy State Director, Division of Resources

Subject: Update of Montana/Dakotas Minimum Price List for Forest and
Vegetative Products

The attached minimum forest and vegetative product price list replaces the April 18, 2003 list. The attached list shows both hundred cubic feet (CCF) and thousand board feet (MBF) pricing schemes along with their average conversion factors. Advertised and negotiated sales involving sawtimber or pulpwood should be made using the CCF measurement method. The MBF measurement for these products may be shown in parenthesis beside the CCF figures. This will allow our customers and purchasers time to become familiar with the CCF measurement methodology. The conversion factors for sawtimber may also change as we accumulate more cruise conversion information.

A minimum pricing schedule is also included for other forest and vegetative products such as posts, poles, Christmas trees, berries, transplants, hay, etc. These are minimum prices. No attempt is being made to establish a maximum price for any vegetative product. The local forest/vegetative products appraiser may establish a higher price for any product when based on a local market appraisal. The appraiser may determine this value by using 10 percent of the local market selling price for the product or the Statewide minimum price, whichever is greater. This appraisal must be documented.

Forest and vegetative product sales, where the total value of the sale is \$2,499 or less, may be made using the Vegetative or Mineral Material Negotiated Cash Sale Contract (Form 5450-5). This is a cash sale contract and must be paid in full prior to issuance of the contract. Installments, payments, or bonding are not permitted with this form. The minimum amount for each transaction using the 5450-5 contract is \$20.00. The minimum amount for the Joint FS/BLM Fuelwood permit is \$10.00.

A road maintenance fee may be collected for all sales of forest or vegetative products using Form 5450-5. When collected, the minimum road maintenance fee will be 10 percent of the total value of the product(s) being sold. This figure will be rounded to the nearest whole dollar. For example: If you sell 50 line posts valued at \$25.00, then you would add \$3.00 for road maintenance (10% of \$25.00 = \$2.50, rounded to nearest whole dollar = \$3.00). The total contract price would be for \$28.00 (\$25.00 for the product plus \$3.00 for road maintenance). Fees collected for road maintenance should be deposited to the 9120 account.

5420 - Preparation For Sale
 Montana State Office
 Forest/Vegetative Product *Minimum*^{1,6} Price List - Montana/Dakotas - October 2004

Product ²	Minimum Price		Conversion Factor Bf/Cf ⁴	Conversion Factor Cf/Bf ⁴
	Unit of Measure CCF	Unit of Measure MBF		
Sawtimber ³ - (Live)	\$14.00	\$35.00	4.0BF/1CF	.25CF/1BF
Sawtimber ³ - (Dead)	\$8.00	\$20.00	4.0BF/1CF	.25CF/1BF
Pulpwood	\$0.80	\$2.00	---	---

Conversion: (1,000BF = 250CF) or (1MBF = 2.5CCF)

Product ²	Unit of Measure	Minimum Price	Dimension	TSIS Conversion Factor Bf ⁵	TSIS Conversion Factor Cf ⁵
Fuelwood	Cord	\$5.00	4'x4'x8'	500	81.6
Corner Posts	Number	\$1.00	8"x8'	10	2.5
Line Posts	Number	\$0.50	6"x7'	7	1.7
Corral Poles	Number	\$0.50	16'	8	1.9
Fence Stays	Number	\$0.10	2"x5'	1	.2
Tepee Poles	Number	\$0.50	4"x16'	3	.7
Grape Stakes	Number	\$0.10	2"x7'	1	.2

Joint FS/BLM Fuelwood permit (Multi-Agency/Vendor Permit) minimum purchase amount is two cords (\$10.00) @ \$5.00/cord. This joint permit is valid only on PD/LU lands located in Coeur d' Alene, Cottonwood, Missoula, Butte, Dillon, and the Lewistown Field Offices (excluding the Havre field station) and on Forest Service lands located in the Northern Region (R-1). Contact should be made with your local Forest Service Office to see if they have increased their local Fuelwood permit purchase price. If they have, you should adjust your Joint fuelwood permit price accordingly.

The Joint FS/BLM Fuelwood permit is for *Personal Use only*. Do not use this permit for commercial fuelwood requests. Record all transactions using the Joint FS/BLM Fuelwood permit in our TSIS program.

Forest/Vegetative Product *Minimum*^{1,6} Price List - Montana/Dakotas - October 2004

Product	Unit of Measure	Minimum Price	Dimension
Christmas Tree (BLM Personal Use Permit & Joint FS/BLM Permit)	Number	\$3.00	≤ 18' Tall
Christmas Trees (Commercial) (6 Trees = 1 Bale for \$3.00)	Number \$.50/Tree	\$3.00	6 Trees 2' - 5' Tall
Christmas Trees (Commercial) (3 Trees = 1 Bale for \$3.00)	Number \$1.00/Tree	\$3.00	3 Trees 6' - 11' Tall
Christmas Trees (Commercial) (1 Tree = 1 Bale for \$3.00)	Number \$3.00/Tree	\$3.00	1 Tree 12' - 18' Tall
Minimum Purchase Price for a Commercial Christmas Tree Permit is \$60.00			
Dry Cones, All Species (Commercial)	Bushel	\$0.50	10"x10"x21.5"
Boughs (Commercial) <i>Minimum</i> permit purchase of \$20.00 for a standard pickup load (4'x8' box, not piled above the top of the bed, 2' deep).	Pound	\$0.05	6-7 lbs./cu.ft.
Mushrooms (Commercial)	Pound	\$0.25	2 lbs/gallon
Huckleberries (Commercial)	Pound	\$0.10	5 lbs/gallon
Wildings Transplants (Personal Use/Commercial)	Each	\$1.00	< 2' Tall
Wildings Transplants (Personal Use/Commercial)	Each	\$2.00	2' - 4' Tall
Wildings Transplants (Personal Use/Commercial)	Each	\$4.00	5' - 9' Tall
Wildings Transplants (Personal Use/Commercial)	Each	\$6.00	10' - 13' Tall
Wildings Transplants (Personal Use/Commercial)	Each	\$10.00	14' - 20' Tall
Hay - Generic, Alfalfa, etc.	Ton	\$10.00	2,000 lbs/ton

Forest/Vegetative Product Minimum Price List - Montana/Dakotas - October 2004

¹ Several Field Offices have noted that their current index price for forest products is higher than the minimum price list. No attempt is being made to establish a maximum price for any forest product. The Local forest products appraiser may establish a higher price for any forest product when based on a local market appraisal. These minimum prices may be used when no better market data is available. Field Offices experiencing strong demands for forest products should appraise those products to establish their local fair market value.

² Minimum Prices for these products applies to both Personal and Commercial Uses.

³ Includes sawtimber, houselogs, mine timbers, ties, large and small poles.

⁴ These factors are the average conversion factors and are based on limited long form timber sale contract data. These may change as more timber sale data becomes available. The conversion is 1 MBf = 2.5 CCf or $1000\text{Bf}/4.0 = 250\text{Cf}$. This conversion factor may be used when an actual cruise conversion is not available.

⁵ These factors are from the Timber Sale Information System and are the standard BLM conversion factors for the listed products. This conversion is $1000\text{Bf} = 163\text{Cf}$ or $1000\text{Bf}/6.13 = 163\text{Cf}$. (This conversion factor is to be used for all vegetative sales utilizing form 5450-5a.)

⁶ All forest products will be sold at or above the State Minimum Price listed for that product. Exceptions to this may occur on a case by case basis when the authorized officer determines and documents that the net positive benefits to other resources such as forest health, recreation, wildlife, watershed, etc., will occur and that existing forest productivity will not be degraded.