

## Price list teak trees – planting year 2020

Plantation Finca Tortuga, Pichincha, Provincia de Manabí, Ecuador

Plot size	Number of trees*	Price per tree	Price per unit	Comparison: Price per hectare
0,25 ha	200	CHF 23.75	CHF 4 750	CHF 19 000
0,50 ha	400	CHF 23.50	CHF 9 400	CHF 18 800
0,75 ha	600	CHF 23.25	CHF 13 950	CHF 18 600
1,00 ha	800	CHF 23.00	CHF 18 400	CHF 18 400
2,00 ha	1600	CHF 22.75	CHF 36 400	CHF 18 200
3,00 ha	2400	CHF 22.50	CHF 54 000	CHF 18 000
5,00 ha	4000	CHF 22.40	CHF 89 600	CHF 17 920
10,00 ha	8000	CHF 22.30	CHF 178 400	CHF 17 840

\* Theoretically, about 840 trees per hectare are planted. This value may vary due to local conditions. Therefore, a maximum of 800 trees per hectare will be charged. The actual number of trees on the respective plot is always specified in the contract.

### Model calculation for teak revenue per hectare

Scenario	Teak wood prices	Gross return <sup>1</sup>	Net return <sup>2</sup>	IRR <sup>3</sup>
<b>conservative</b>	current market prices	CHF 41 150	CHF 27 250	2,2%
	with 2% price increase p.a.	CHF 59 450	CHF 40 460	4,3%
<b>medium</b>	current market prices	CHF 51 200	CHF 34 510	3,5%
	with 2% price increase p.a.	CHF 74 150	CHF 51 190	5,7%
<b>optimistic</b>	current market prices	CHF 61 250	CHF 41 860	4,6%
	with 2% price increase p.a.	CHF 89 000	CHF 62 060	6,8%

<sup>1</sup> Total from thinnings and final harvest

<sup>2</sup> after harvesting costs, taxes in producer country & commission

<sup>3</sup> IRR = Internal Rate of Return

**Note:** The model calculation for teak revenue is based on the Hoppus formula (commercially usable volume), a term of 20 years from the year of planting and a purchase price of CHF 18 000 per hectare for 800 trees. The exact years for the commercial thinnings and the number of trees logged in each thinning depend on the local conditions on the respective plantation. The revenue figures used in the example are merely non-binding guidelines and forecasts which vary according to the situation, market situation and exchange rate and cannot be guaranteed.