Valuation of Teak Farms

December 2009

Farms

I inspected the Teak farms of the Dutch Company GoedInvesteren in the South Zone of Costa Rica.

Frisiales Triples, S.A., is the name of the Costa Rican company for Flor de Coto farm with the register number: 3-101-226017.
Chacarita del Sur, S.A., is tha name of the Costa Rican company for Chaca farm with the register number: 3-101-269738.

The farms are in two locations: the first is 2 kilometers from de Village "El Jardin", in the road from Golfito to Comte and the other in the community of Chacarita, in front of the Panamerican Highway.

The 29 hectares of teak were planted in Flor de Coto farm in 1995. The 25 hectares of teak were planted in Chaca farm in 2002.

In both farms are no risk of flooding, there are no volcanoes and the risk of hurricanes are lower.

Growth requirements

The places to growth teak-trees required temperatures between 25-30 °C, more than 85% of relative humidity and more than 8 hours of sunlight.

Is necessary an enough long dry season to form good hardwood in the trees.

Both plantations are located in appropriate places for the development of the Teak, have enough rainfall.

There are many plantations of Teak-trees around the farms inspected. Those growers mainly sale the wood in local markets in Costa Rica.

Thinning is a very important labor, because trees need enough space to grow. With this thinning the diameter growth will go up.

Forecast

The hardwood production of Teak-trees increase with time, it means that older and thicker trees produce more hardwood.

The 1995 29 hectares of teak plantation are 14 years old and the 2002 25 hectares of teak plantation are 7 years old.

Actually the value of the plantations is:

29 Hectares of 1995 Flor de Coto farm: $311.000,00
25 Hectares of 2002 Chaca farm: $225.000,00

Eng. Julio C. Ducca
College License Number: 2144
Tel: 87-07-61-93
Palmar Sur de Osa
Costa Rica