

## **Valuation of Teak Farms**

December 2010

### **Farms**

Last week, 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 the 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**

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

The places where the plantations grow, maintain the conditions appropriate for the development of the Teak.

There are many plantations of Teak-trees around the farms inspected.

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

### **Forecast**

Local and foreigner buyers of teak wood are appearing in the region.

The 1995 29 hectares of teak plantation are 15 years old and the 2002 25 hectares of teak plantation are 8 years old.

The plantations value is:

29 Hectares of 1995 Flor de Coto farm: \$ 331.560,00

25 Hectares of 2002 Chaca farm: \$ 248.820,00

A handwritten signature in black ink, appearing to read 'Julio C. Ducca', with some scribbles and a checkmark-like mark above it.

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