
BAUERS FAMILY TREE FARM NEWS

Miramar Costa Rica

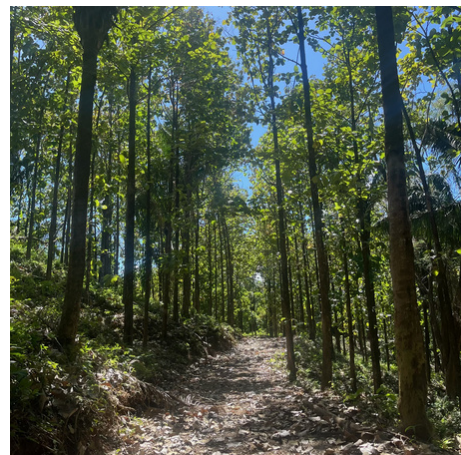
FARM UPDATE

May 2026

As Costa Rica transitions from the dry season into the rainy season, the farm continues to be in great shape. The trees have been growing well over the past year and overall plantation health continues to look very strong. Every year the teak adds more size and girth, and it's encouraging to see how consistently the plantation continues to develop.

A large portion of the trees on the farm now have 30–35 feet of usable trunk, with some over 40 feet tall in usable length. We also have some trees measuring more than 50 inches in circumference at chest height. A healthy teak tree can easily add around two inches of circumference growth per year, which would put some of our trees on track to reach roughly 60 inches in circumference over the next five to six years — an excellent size for mature 25-year-old teak.

One thing we continue to feel very good about is the overall trunk quality across the plantation. Many of the trees have long, straight sections that are ideal for milling into lumber products. We still have some thinning work ahead of us to get the plantation to our ideal long-term density, but overall the farm continues to progress very well.





MARKET CONDITIONS AND OPERATIONS

Earlier this year we had planned to complete a larger thinning operation, but several outside factors created delays.

The biggest issue came from instability in the Middle East, which disrupted both shipping and banking for our buyer, whose end market is India. Shipping containers and vessel space in Costa Rica became harder to secure as global logistics tightened up again. On top of that, the buyer's banking partner in Dubai temporarily paused issuing letters of credit, which are necessary for international timber transactions.

We also continue to deal with the impact of a very strong Costa Rican colón relative to the U.S. dollar. Since most of our operating and extraction costs are paid locally in colóns, while teak sales are generally made in U.S. dollars, a stronger local currency increases our effective operating costs.

There are several reasons for the strength of the colón, including actions by Costa Rica's central bank as well as strong inflows of foreign currency into the country. Tourism has remained very strong since the pandemic recovery, and foreign investment in Costa Rica has continued to increase. The country's export economy has also remained healthy, particularly in industries such as medical devices, manufacturing, coffee, bananas, and pineapples.

That said, many people in Costa Rica believe the current strength of the colón is unlikely to last forever, as it creates pressure on both tourism and exporters.

UPCOMING THINNING ACTIVITY

Even with the earlier delays, we are planning to complete a smaller selective thinning beginning in mid-May.

The biggest variable for us will be the weather. Once the rainy season fully sets in, conditions on the farm can become difficult very quickly. Our flatbed trucks can weigh more than 30,000 pounds when fully loaded, and heavy rain can make the interior roads muddy and temporarily inaccessible.

Even so, we believe we should have several workable windows during the early rainy season that will allow us to complete a meaningful amount of harvesting and sales activity.



LOOKING AHEAD

The plantation has now completed 19 growing seasons, and we are excited to begin what we hope will be another strong year of growth as the rains increase through May and June.

We are also already preparing for a larger thinning operation during the next dry season between December 2026 and April 2027. After that, we will likely complete one or two additional thinnings before reaching our target mature tree density.

Overall, we continue to feel very positive about the long-term development of the plantation. While global market conditions and currency fluctuations have created some short-term challenges, the farm itself continues to grow stronger every year and the quality of the teak continues to improve as the trees mature.

