

Our Work From the Sustainable Wood Production Initiative

Will Markets Provide Sufficient Incentive for Sustainable Forest Management?

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The renewed interest in sustainable forestry raises questions about the role that market prices have in influencing management decisions made by individual landowners and managers. Evidence from the Douglas-fir region suggests that landowners and managers have relied on sustained upward changes in timber prices to provide incentives to increase the intensity and extent of timber management practices. But we face a future of relatively stable prices, and some advocates of more intensive forest management are concerned that expectations of lower returns for various forestry practices may lead landowners, each with their own objectives, to respond to various market signals in ways that are not supportive of sustainable forest management.

Key Points

The renewed interest in sustainable forestry raises questions about the role that market prices play in influencing management decisions made by individual landowners and managers.

Evidence from several U.S. regions suggests:

- Managers have relied on sustained upward changes in timber prices to provide positive incentives to improve the intensity and extent of forest management practices.
- There is great diversity in the propensity of landowners (reflecting differences in their own objectives) to respond to market signals.

Expectations of lower returns from various forestry practices given a future of relatively stable prices has led to some concern that some landowners may not implement practices supportive of sustainable forest management.

To find out more about the sustainable wood production initiative or related projects, contact:

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