

**ECONOMIC CONSIDERATIONS IN THE MANAGEMENT OF FORESTS FOR
SUSTAINABILITY, AND THE WHITE MOUNTAIN STEWARDSHIP PROJECT
ASSESSMENT**

SW SOCIETY OF AMERICAN FORESTERS SPRING MEETING – APRIL 2009

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TOPICS

- Inventory Of Economic/Business Activity Related To Management Practices, And Potential For Profitability Of Such Ventures**
- The WMSP Economic Assessment study**
- Economic challenges in sustainability management**
- Business-model challenges for private sector**
- Economic opportunities**

INVENTORY OF ECONOMIC/BUSINESS ACTIVITY RELATED TO MANAGEMENT PRACTICES, AND POTENTIAL FOR PROFITABILITY OF SUCH VENTURES

- Forest long-term sustainability for traditional “multiple uses,” and the potential for expansion of one or more, if not all, use activities
- Secondary effects, economic and fiscal, of maintenance or expansion of use
- Secondary effects of management-related businesses
- Economic development opportunities through leveraging new business activity and expanding on the “cluster.”

INVENTORY OF ECONOMIC/BUSINESS ACTIVITY RELATED TO MANAGEMENT PRACTICES, AND POTENTIAL FOR PROFITABILITY OF SUCH VENTURES

- Benefits of minimizing losses from fires: direct loss prevention, minimizing dedicated or expended fire-fighting, rescue, etc. resources
- Attractiveness of region as a place to visit, conduct business, and live
- Mental and physical well being of residents
- National as well as local/regional components of benefits

- History
- Topics addressed:
 - Number of businesses
 - Type of businesses
 - Allocation of employees based on amount of business transacted that is:
 - direct (dollar importing) or
 - indirect (local serving)

- Where are businesses located, and where do workers live?
- What does that distribution of businesses and workers mean, generally, for the different communities?

- 15 businesses in forest products, in:
 - Clean Chips
 - Dirty Chips
 - Round-wood
 - Saw Timber
 - Harvesting Woody Biomass
- Affected region:
 - ▶ 70% of *jobs* are in Snowflake/Taylor and Springerville/Eagar; and 50% of *workers reside* there.
 - ▶ 15% in Phoenix area

SUMMARY OF FINDINGS FOR 2007

- 141 direct jobs, basic employment;
support another 83 indirect, non-basic
- 72 direct jobs, non-basic

- Valuing forest benefits across the spectrum of multiple use
- Valuing benefits to local/regional/national “accounts”
- Relating these two categories, scientifically, politically, etc.
- Generating jobs does not necessarily equate to economic efficiency

BUSINESS-MODEL CHALLENGES FOR PRIVATE SECTOR

- Financing
- Markets for output
- Long-term sustainability of raw material, and usability of that material for specific products
 - ▶ Existing conditions
 - ▶ Climate Change
- Public-private partnerships
- Local support capacity

ECONOMIC OPPORTUNITIES

- Green movement
- Stimulus package
- Forest management enlightenment; WMSP at cutting edge
- Exploration of alternatives for basic goods and services
- Internet-enabled marketing and service-production

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