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Editorial

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Journal of Forest Business Research: a leading platform for advancing forest business and investment science research

Jacek Siry,[a, *] Rafał Chudy, [b] Bin Mei, [c] and Frederick Cubbage [d]

a: Warnell School of Forestry and Natural Resources, University of Georgia, Athens, GA, USA;
b: Forest Business Analytics, Łódź, Poland;
c: Nicholas School of the Environment, Duke University, Durham, NC, USA;
d: Department of Forestry and Environmental Resources, North Carolina State University, Raleigh, NC, USA.
**Corresponding author: E-mail: jsiry@uga.edu*

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ABSTRACT

The Journal of Forest Business Research (JFBR), an international peer-reviewed and open-access journal, has been developed to offer a novel publication avenue for forest business research contributions. This effort has been motivated by the realization that there were no dedicated forest business scientific journals in existence and the need to have a scientific journal to support growing volume of forest business research. The journal aims to effectively meet the needs of contributors and readers by bringing together academic and professional business research in forestry. The following section describes why there is a need for the JFBR and what makes this journal a leading platform for advancing forest business and investment science research. Then, we summarize all the papers included in our two issues in 2023. This year, we delivered to hands of our readers over 340 pages of high-quality forest business and investment science research. The articles published in 2023 discussed, among others, forest carbon and its contribution to total timberland investment returns, capital investment and annual expenditures related to forests in the United States (U.S.), wood pellet manufacturing industry from residents' perspectives in the U.S. South, discount rates in forest management decisions, the effect of various COVID-19 policies on standing timber prices in the U.S. South, the relationships between innovation constructs and demographic and management attributes of wood furniture firms in Kenya, the economic feasibility of silviculture investments to reduce butt rot and ungulate browse damage in Canada, the sustainability of the production, processing, and exporting systems of frankincense (Boswellia papyrifera) in Ethiopia, and the development of the Iranian wood products industry over the past two decades. All these articles truly show the international character of forest business research. In the final section, we indicate what types of articles we are seeking and how you can support our efforts.

JOURNAL OF FOREST BUSINESS RESEARCH – A LEADING PLATFORM FOR ADVANCING FOREST BUSINESS AND INVESTMENT SCIENCE RESEARCH

The Society of American Foresters defines forestry as the profession embracing the science and art of managing forest and associated natural resources (Helms 1998). Management of forest resources encompasses making informed decisions about their uses and integrating business concepts with silviculture and other forest sciences to best meet landowner objectives (Bettinger et al. 2017). Forest business research integrates business research with science-based forest management. One can take this discussion even a step further and propose defining the concept of forest investment science, which would encompass the application of economic and financial principles and advances to science-based forest resources management to fulfil landowners' investment objectives.

Academic business research relies on the scientific method, is very structured, and typically requires substantial time and resources to conduct. Its contributions may be basic in nature, which increases our understanding of the business universe, or applied, which allows us to develop instruments to alter or manage various aspects of the business universe. Professional business research tends to address more narrowly defined problems, more relevant to individual business organizations and industries and which demand timely answers. Whether academic or professional, business research can typically be thought of as addressing questions which relate to subjects such as economics, finance, marketing, accounting, management, business law and others, with the aim of improving performance and profitability. In the forestry context, these may be expressed as research into forest investments, finance, economics, forest product markets and industries, silviculture and management, and policy, which are applied to traditional forest products as well as emerging products and services, including payments for ecosystem services (PES) and sustainability and environmental, social, and governance (ESG) considerations.

The journal provides a comprehensive publication avenue for all forest business research contributions, all of which are subjected to external review and published immediately following acceptance. Academic business research publications (research articles, review articles, forest business notes, and special issues) are peer-reviewed and professional business research contributions (book reviews, opinion pieces, forest conference reports, or editorials) are editor-reviewed. The journal conducts the peer-review process in a time-efficient manner as it does compensate the reviewers for high-quality and timely reviews. Once published, all contributions are advertised via online media, including JFBR newsletters, LinkedIn and X (formerly Twitter).

One may also ask if there is a real need for such a journal. We believe that there is. This is because forest investments which, in its current form, originated in the U.S. have recently become a truly international endeavor with investors and opportunities all over the world. While the investigation of forest investments may typically be associated with areas of the world with larger presence of private forests and owners with forest investment objectives, forest business research knowledge is important for all forest managers, regardless of whether forests are privately or publicly owned. This is because efficient allocation of limited natural and other resources to various uses is a pressing consideration for all forest managers. Consequently, we believe that there is a broad global audience and interest in forest business research.

Moreover, could forest business research contributions be accommodated by existing forest science journals? While possible, this has not been our experience. All journals, including this one, have a stated purpose and mission. While many journals can and do accept forest business research publications, they often have a different mission and forest business publications are a minority of their published features. In addition, some forest business contributions, such as forest business notes or conference reports, will likely not be considered for publication in other forest science journals as they may be more focused on theoretical contributions. Lastly, more established journals often have long publication cycles which in some cases may reach several months or years, which may be disadvantageous in publishing time-sensitive forest business research.

Finally, the journal takes an active role in promoting forest business research. It is the journal's mission to promote scientific discourse and forester scientific developments related to forest investments and management and forest industries. The journal supports the forest business community by sponsoring Journal of Forest Business Research Awards to recognize forest business presentations delivered by students and young professionals at business-oriented forest conferences. The journal also publishes conference reports which provide an overview of forest business conferences attended by the journal's editorial team. With these efforts, accompanied by comprehensive coverage and timely publication of forest business research, the journal aspires to be a leading platform for advancing forest business and investment science research.

OVERVIEW OF THE TWO ISSUES PUBLISHED IN 2023

In 2023, we published two issues for the first time that included eight research articles, four forest business notes, two book reviews, one opinion piece, and one forest conference report. Our journal delivered to the hands of the readers over 340 pages of high-quality forest business and investment science research. Drawing on their abstracts, we shortly summarize each published article below. Nevertheless, we strongly recommend reading each article in detail, as they provide valuable insights in their selected research areas.

Korhonen and Frey (2023) offered an overview of capital investment and annual expenditures related to forests in the U.S., encompassing both the public and private sectors. In 2020, the total capital investment and annual expenditure were $242 billion (in 2020 dollars). The authors' findings indicate that private investment is surpassing public investment. However, there were differences in the types of investments made between the private and public sectors and differences in investment and annual expenditure levels can be observed in different geographical contexts. Researchers also elaborated on potential sustainability impacts and identified knowledge gaps that present opportunities for future research.

The U.S. South is the world's largest producer and exporter of wood pellets. The research paper by LeBlanc and Vlosky (2023a) provides insight into the wood pellet manufacturing industry from residents' perspectives, focusing on ESG constructs. Urban-area respondents had a greater affinity for the environment and were generally more concerned with humans producing negative environmental impacts. On the other hand, rural/proximal respondents, who were more aware of the existence of the wood pellet industry, thought that the wood pellet sector was more effective in protecting the environment, and felt that the pellet industry was a superior sector in supporting communities, as it was concerned about the needs of communities, created quality jobs, and was a good industry to work for. The authors concluded that new sectors, such as the pellet industry, could provide much-needed economic development in rural geographic areas. In another article published in the same issue of the JFBR, LeBlanc and Vlosky (2023b) compared rural and urban resident perceptions of the wood pellets industry. They examined and compared residents by major pellet production sub-region in the U.S. South across three dimensions: environmental, social, and economic attributes. Researchers found that Gulf Coast respondents were more accepting of the pellet industry than Atlantic Coast respondents across the three attributes.

Bruck et al. (2023) quantified the effect of various COVID-19 policies on standing timber prices in the Southern U.S. They found an overall significant price decrease across all timber products (7%-30%) soon

after COVID-19 lockdowns were implemented in early 2020. In addition, findings suggest that mandatory lockdowns for all individuals in certain areas of the jurisdiction had a decreasing price effect on pine pulpwood but an increasing effect on hardwood sawtimber. Researchers expect that the findings from this study may help set expectations for future market shocks if implemented policies impact the timber supply chain and consumer behavioral changes.

Mei (2023a) used a loblolly pine plantation in Georgia, U.S., to demonstrate how forest carbon contributes to total timberland investment returns. Both afforestation and reforestation scenarios were analyzed. It was found that for an afforestation investment and at the current carbon price of about $20 per metric ton in the voluntary carbon market, forest carbon had a moderate contribution of about 21% to the total timberland investment return with a return premium of about 115 basis points. However, for a regeneration investment in which only additional carbon sequestration beyond the baseline is credited, the impact of forest carbon on total timberland investment return was minor yet positive.

Mei (2023b) applied the discounted cash flow approach to price forest carbon additionality in southern pine plantations in the U.S. It was discovered that a higher planting density on a better-quality site combined with no thinning provided a more cost-effective means for a southern pine plantation to sequester additional carbon. It was also found that a shorter carbon contract was more cost-effective in achieving additionality despite a lower total carbon benefit.

Mei (2023c) applied the discounted cash flow approach to an uneven-aged sugar maple forest at a steady state to measure carbon additionality. Carbon credits are generated from the marginal forest growth, while a harvest incurs a carbon release penalty. Results indicated that, compared with previous analysis on even-aged southern pine plantations, the uneven-aged sugar maple forest had been less economically effective in carbon offset.

Schlosser (2023) discussed the importance of the impatience factor in forest management decisions. A 16-hectare parcel located at the University of Washington's Pack Forest in Pierce County was used to demonstrate the time value of money for various investor classes to appreciate observed variability in discounted asset values and how it influenced timber harvest rotation timing. It was concluded that natural resource managers, investors, and advisors may find the techniques described in this article helpful in their timber management financial decisions. An opinion piece by Schlosser and Schlosser (2023) offered a view on aligning carbon emitters with forestland sequestration operatives, articulating meaningful financial and social benefits for those involved.

Ototo and Vlosky (2023) developed a model to examine the relationships between innovation constructs and demographic and management attributes of wood furniture firms in Kenya. Results showed significant differences in product innovation between micro- and medium-size furniture firms and small- and medium-sized firms. It was found that the most significant predictors of innovation were company location and rewards for implementing innovation.

Bogdanski et al. (2023) considered the economic feasibility of silviculture investments to reduce butt rot (through stump removal) and ungulate browse damage (stand establishment strategies), which are the most serious impacts to planted western red cedar (Thuja plicata Donn ex D. Don) stands in coastal British Columbia, Canada. They found mixed support for these investments, even if carbon sequestration benefits are included. It was also found that increased planting of seedlings is likely a low-cost, financially attractive option under a broad set of conditions, even on sites without risk of damage, meaning a possible no-regrets strategy to mitigate damages from either deer browse or decay. The benefits of planting highlight the feasibility of using tree breeding to increase growth, resistance to deer, decay, and drought.

Tesfay et al. (2023) analyzed the sustainability of the production, processing, and exporting systems of frankincense (Boswellia papyrifera) in the Tigray region of northern Ethiopia. An emergy synthesis method was used to assess the direct and indirect environmental energy requirements for the production, processing, and exporting of frankincense. The emergy exchange ratio showed that the region exported 11.8 times more emergy in frankincense products than it received in the money paid in 2008/09, showing unfair trade between the exporting and importing countries. According to the researchers' results, it can be concluded that the current production, processing, and exporting of frankincense is not sustainable in the Tigray region.

Arian and Vlosky (2023) assessed the development of the Iranian wood products industry over the past two decades. The sector is an important component of Iran’s economy with the potential for growth across different product markets. Despite the number of challenges that hinder success in domestic and export markets, the Iranian wood industry sector is developing continuously and has the potential for further growth. Researchers provided suggestions to accelerate industry development, such as investments and efforts to facilitate wood raw material imports, the establishment of new management methods and consideration of new technologies to upgrade the quality and quantity of production together with the profitability.

Forest Resource Economics and Finance is a new second edition of the classic forest economics textbook by W. David Klemperer et al., with substantial updates in the coverage, principles, literature, applications and cases. Cubbage (2023) reviewed this book and wrote:

Overall, Klemperer et al. will be a seminal textbook on forest resource economics and finance, with sound theory, comprehensive coverage, good examples, and excellent style and substance. This textbook is clear, logical, and well presented for modern times. At a cost of less than $100, the book provides an exceptionally sound investment. Professors, students, and professionals can use it as a comprehensive and timeless reference for their classes and careers.

Bullard (2023) in his review of the book *Forestland Investment Valuation and Analysis, 1st Edition". 2023, by Bin Mei and Michael L. Clutter* summarized:

Mei and Clutter have produced what will become a seminal reference on the important topic of institutional investments in forestland in the United States. The book includes both theory and practical application of valuation and analysis concepts and techniques, and includes important insights into recent "real world" actions and events among institutional timberland investors. With a clear and succinct, journal-article style of delivery, the book summarizes the history and drivers of major institutional timberland ownership trends in the U.S., and reviews techniques and methods that apply to timberland valuation in theory and practice.

Chudy et al. (2023) published the inaugural JFBR forest conference report, which provided an overview of selected conferences the JFBR Editorial Team visited during a particular time. Authors covered meetings throughout 2023, such as IUFRO Close-to-nature silviculture: experiments and modelling for forestry practice (Online), UGA Timberland Investment Conference (Amelia Island, FL, USA), VII Faustmann Conference (Christchurch, New Zealand), 5th International Congress on Planted Forests (Nairobi, Kenya), International Society of Forest Resource Economics (Houston, TX, USA), Western Forests Economists (Portland, OR USA), and IUFRO Enhancing the performance and sustainability of eucalypt plantations to broaden their benefits (Colonia Del Sacramento, Uruguay).

WHAT TYPES OF ARTICLES ARE WE SEEKING?

As noted in our JFBR editorial last year, examples of subjects that are within the scope of the Journal include but are not limited to the following:

1. **Forest investment finance and business**
   - ✓ timberland investments
   - ✓ forest finance
   - ✓ portfolio management
   - ✓ business structures and forest investment strategies
   - ✓ conservation forestry
   - ✓ corporate social responsibility
   - ✓ ESG in forest investments
   - ✓ Nature-based solutions
   - ✓ sustainable business practices within the forestry sector

2. **Forest-related industries and wood market dynamics**
   - ✓ wood markets
   - ✓ wood-product trade and policy
   - ✓ timber prices and forecasts
   - ✓ production, consumption, and trade of forest products
   - ✓ forestry contractors and timber harvesting
   - ✓ business leadership and organizational management
   - ✓ business management case studies

3. **Forest silviculture and management**
   - ✓ production economics and forest applications
   - ✓ intensively managed plantations
   - ✓ natural and high conservation value forest management
   - ✓ improved technologies for forest management and investments
   - ✓ forest carbon and bioenergy markets
   - ✓ agroforestry and silvopasture

4. **Natural resource economics and policy**
   - ✓ forest economics
   - ✓ risk, uncertainty, and decision-making
   - ✓ policy and law
   - ✓ natural resource and ecosystem service investments and payments.

HOW CAN YOU CONTRIBUTE?

First and foremost, you can support us by submitting high-quality articles that fit our Journal's scope. You can find our **recent call for papers** with a due date set to **1 March 2024**.

Second, please feel free to join our database of JFBR reviewers. JFBR's starting compensation for every review completed within two weeks is 50 EUR Net of Tax. We will review this rate each year. To meet the highest ethical and quality standards in the scientific publishing process in JFBR, the reviewer's compensation is entirely independent of the reviewer's recommendation. We also offer all reviewers other benefits, such as a 10% publication fee discount in JFBR and a 10% discount on registration for the **International Forest Business Conference 2024**.

To register for our Reviewers' Database, visit our website.

Next, to better track our Journal's progress and news, we recommend you join our social media and help us build the community around our research work in forestry. We have **X (Twitter)** and **LinkedIn** accounts that will help us with our external communication, community buildup and marketing of all papers published at JFBR.

We are always open to your suggestions. If you like to nominate a highly qualified person to serve on our Scientific Board, have comments on what we can do better, or other suggestions, do not hesitate to contact us via our website: **www.forest-journal.com**

Have a great read!

Respectfully,

Dr. Jacek Siry
Dr. Rafał Chudy
Dr. Bin Mei
Dr. Fred Cubbage

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