

Context for Nine State Forests Program Performance Measures

There are a number of ways the State Forests Program could respond to requests from the Board of Forestry to modify specific performance measure outputs to better achieve greatest permanent value. Critical to this discussion is an understanding of the interdependence of each of these measures, as well as the role state forests are expected to provide relative to rural community resiliency, and consistent, sustainable revenue and log supply to rural communities adjacent to state forestlands.

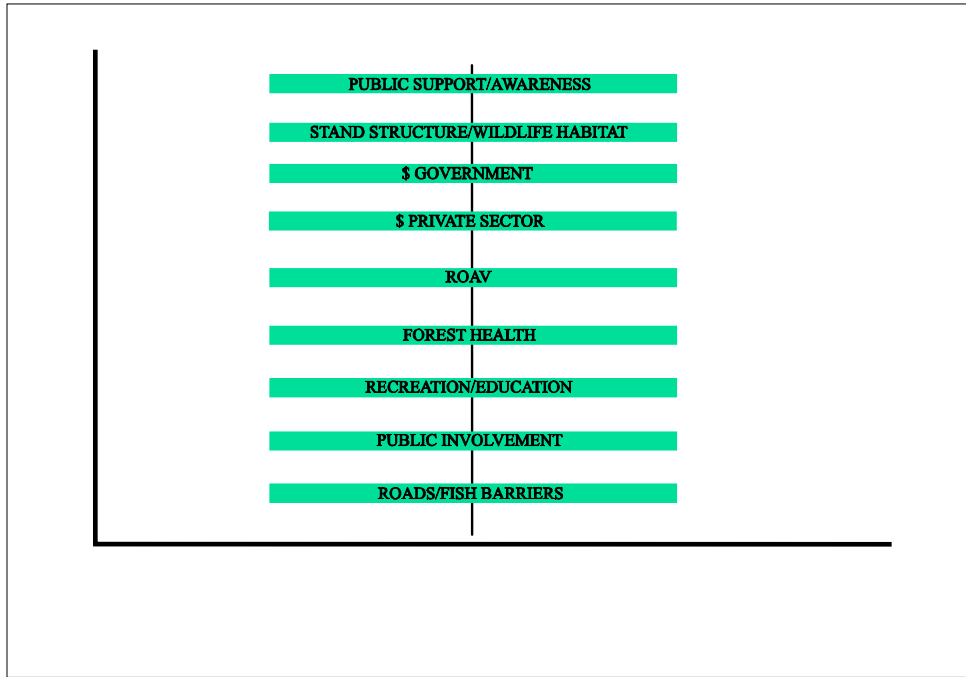
Greatest Permanent Value

Any successful forestry enterprise must balance three sometimes conflicting aspects of management: 1) biological factors affecting tree growth; 2) financial considerations of discounted cash-flow analysis for forest management regimes; and 3) regulatory requirements and social considerations affecting forest practices (Virginia Department of Forestry 2002).¹ Despite the dynamic that exists for state forests to produce a healthy return on investment in the context of providing a range of values, there is an opportunity for a discussion about policy changes and their corresponding tradeoffs that could influence performance measure outputs.

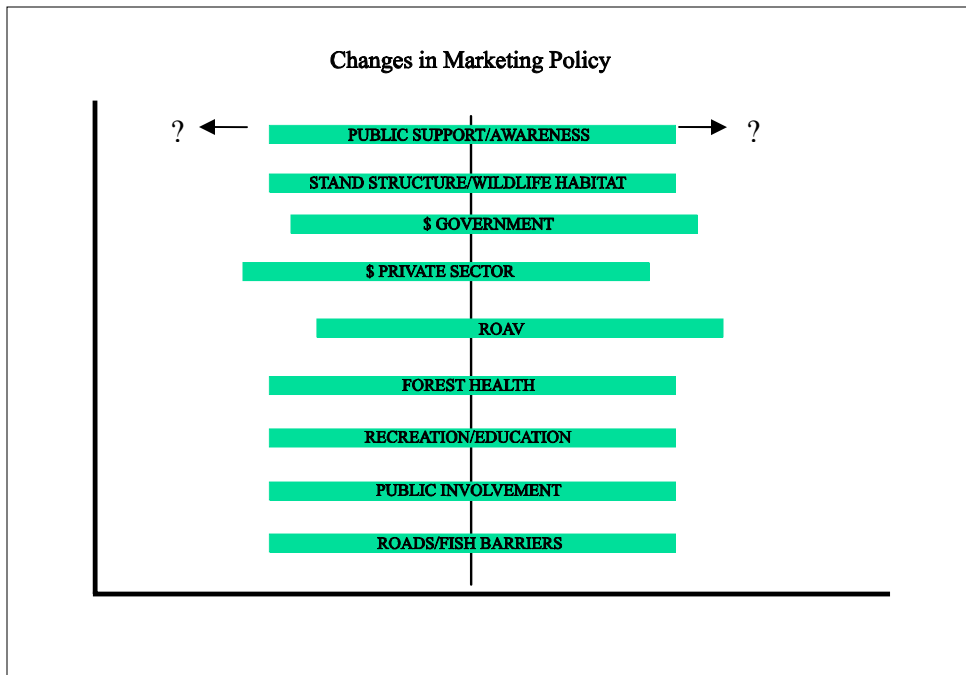
For example, if the Board requested the program to analyze and bring forward options to improve ROAV, the program could:

1. Discuss methods to improve marketing of timber sales.
2. Practice structure-based management on some districts, while using a different approach on others.
3. Modify the targets for the various types of stand structures related to desired future condition (i.e. examine different combinations of proportions on regeneration, closed single canopy, understory, layered, and older forest structure).
4. Consider a different approach to compliance with the federal Endangered Species Act.

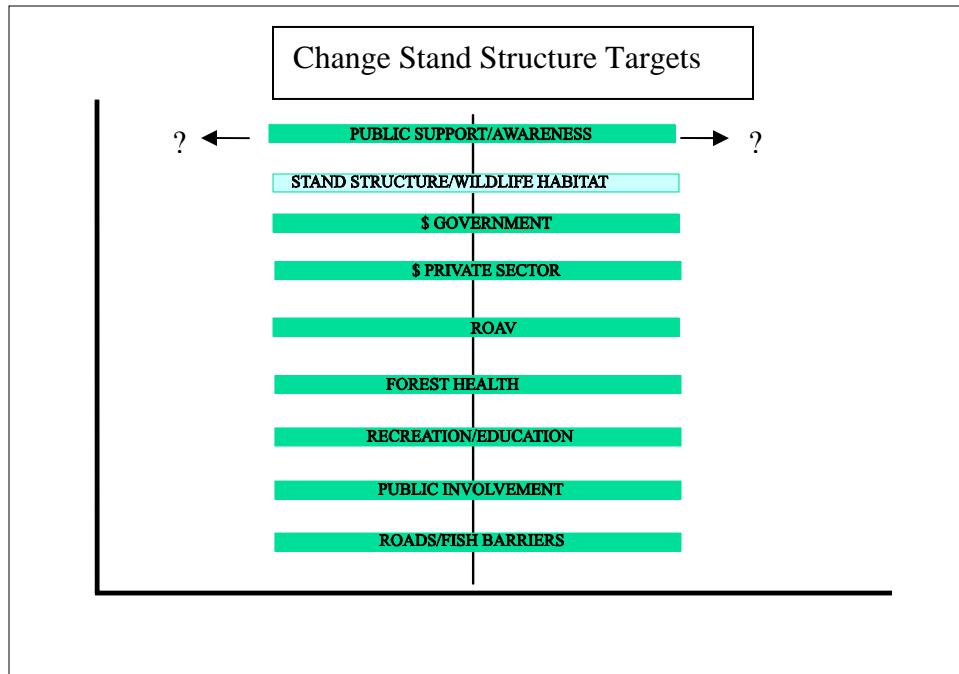
The following charts will illustrate the dynamic that exists both within the economic performance measures, and among all measures. How this dynamic plays out is key to policy discussions about interactions between each of the measures that contribute to greatest permanent value. The discussions below illustrate policy changes that could be implemented relative to the forest management plans, as an example of where discussions might begin to “improve” or modify existing performance measure outcomes. The charts will also illustrate the nine performance measures along a continuum. This first chart depicts each measure in the center of the continuum.



The second chart depicts what tradeoffs might exist if the program were to implement marketing strategies to improve revenues, and thus ROAV is increased. In this example the ROAV “bar” moves to the right, representing a potential decrease in revenue to the private sector (via the purchaser) if the modification to marketing strategies results in a significant enough increase in revenues as a result. Thus, the private sector “bar” moves to the left and the government “bar” moves to the right, as the counties would benefit from this additional revenue. In this example, a change in marketing policy influences primarily the economic measures. This may also have an impact on the level of “public support/awareness”. The chart depicts the potential for this measure to shift in either direction, depending on what specific ‘public’ is being considered.



The third chart depicts what tradeoffs may exist if a greater proportion of the landscape is managed to produce understory, closed single canopy, and regeneration stand structure types, and a lesser proportion for layered and older forest structure, as compared to the current forest management plangoals. ROAV would increase, and a different arrangement of habitat would be provided corresponding to a benefits/trade-offs for a range of wildlife species (as noted by the stand structure/wildlife habitat bar remaining in the same location but shaded differently). This type of landscape change may also have an impact on the level of “public support/awareness.” Similar to the previous example, the chart depicts the potential for this measure to shift in either direction, depending on what specific ‘public’ is being considered.



Each of the nine performance measures are discussed in detail in the following pages. Two sections have been added to each measure—context for the measure and analysis—per the request of the Board at the January 2007 meeting.

¹Virginia Department of Forestry. 2002. Virginia’s Forestry Best Management Practices for Water Quality. 4th Edition.