

Oregon Roundtable on Sustainable Forests Preliminary Evaluation of Indicator of Sustainable Forest Management



B.d.: *Forest products sector vitality*

Current desired trend/target: Production and product values of and investment in Oregon's forest products sector are stable or increasing.

The current data report for this indicator can be accessed at:
<http://www.oregon.gov/ODF/indicators/indicatorBd.shtml>

Evaluation Summary: ¹

Key Roundtable findings

- The indicator data currently seem to be a bunch of pieces that are not integrated. We may not have the model right yet to draw conclusions. Tie the metrics more closely to the desired trend statement.
- The protocol needs to have criteria added for how changes in “Trend” ratings will be determined.
- The data are inconsistently reported. There are delays in reporting and the reports are dated.
- Consider separate analyses for eastern and western Oregon. Other regional breakdowns could also be helpful.
- The participants agreed with the “Partial” rating for “Information Quality.”
- The participants agreed with the “Poor” rating for “Condition.”
- Several other sources of technical information were identified, however – the broadest agreement was that development of a more creative model protocol that is better able to capture “vitality” would be beneficial.
- There is a serious concern that future ODF or other agency budgets will not be adequate to support the work.

¹ This is a summary of the Oregon Roundtable on Sustainable Forests discussion and conclusions regarding the staff report on an Oregon Indicator of Sustainable Forests Management. The summary is organized around nine questions identified by the Roundtable as being central to evaluations of all 19 indicators. It reflects the input from Roundtable participants who attended the October 25, 2010 meeting where the indicator was discussed and from an electronic survey of those participants following the meeting. The summary is based on interpretation of the Roundtable discussions by the seven-person Roundtable Leadership Group, with the assistance of Oregon Department of Forestry staff.

Conclusions may not have been reached by the Roundtable for every evaluation question. The summary should not be considered as expressing a consensus of the meeting participants or the Roundtable in general. However, this information will be immediately useful to the technical staff working to implement and improve future indicator data collection and reporting and to the Board of Forestry and other Oregonians desiring to use the indicator as one tool in assessing Oregon's progress towards sustainable forest management.

It is anticipated that the Roundtable will proceed with discussions on all the indicators and will then discuss the body of indicators as a whole – looking for common themes and synthesizing conclusions about the indicators project. Therefore, Roundtable conclusions for this indicator may be revisited and revised at a later date.

- **Additional Roundtable comments organized by indicator evaluation questions**

1. Is the purpose and intent for the indicator clear?

- Forest products sector vitality is hard to measure. What does "vitality" really mean? Some believe it means there are economic returns to forest landowners sufficient to invest in forest management and mill owners receive sufficient revenue to invest in production facilities.
- Be clearer on what make forest products "vital."
- Clarify what is meant by "primary" and "secondary" producers.

2. Is the protocol for indicator data collection clear and technically sound?

- Some participants thought the protocol was adequate while others were doubtful (the logic seemed flawed).
- Missing pieces may be data on the volume of lumber and plywood produced.
- The indicator must do more than measure market trends. A vital forest products sector will do well in good markets and in bad markets.
- The indicator data currently seem to be a bunch of pieces that are not integrated. We may not have the model right yet to draw conclusions.
- Tie the metrics more closely to the desired trend statement.
- It is not clear how exports are handled. We don't know how much is currently being exported due to a lack of data on either volume or value.
- Consider capacity and production as a metrics of sector vitality. Can we determine what ration of production to capacity triggers more capital investment?
- The protocol needs to have criteria added for how changes in "Trend" ratings will be determined.

3. Are indicator data being reported at the appropriate spatial and temporal scales?

- The data are inconsistently reported. There are delays in reporting and the reports are dated.
- Consider separate analyses for eastern and western Oregon. Other regional breakdowns could also be helpful.

4. Has the Department appropriately assessed the quality of the indicator information?

Original indicator report conclusion
Information = Partial

Conclusion following Roundtable evaluation
Information = Partial



- The participants agreed with the "Partial" rating for "Information Quality."

5. Has the Department appropriately assessed the conditions measured by the indicator?

Original indicator report conclusion

Condition = Poor



Conclusion following Roundtable evaluation

Condition = Poor



- The participants agreed with the “Poor” rating for “Condition.”

6. Has the Department appropriately assessed the current trend measured by the indicator, when compared to the Desired Trend Statement?

Original indicator report conclusion

Trend = Uncertain



Conclusion following Roundtable evaluation

Trend = Uncertain



- The reports for all indicators should be clearer that “Trend” ratings are a measure of the recent past and not a prediction about the future.
- Any predictions of an upward trend are optimistic and unlikely to pan out.
- Consideration of trends and probable changes in input prices (such as fuel prices) is necessary.

7. Can a case be made that other technical information should be considered as a supplement or an alternative to the information already provided for the indicator?

- Several other sources of technical information were identified, however – the broadest agreement was that development of a more creative model protocol that is better able to capture “vitality” would be beneficial. Some possible sources of technical information that could contribute are listed in the following bullets.
- Add a metric on forestland profitability/viability based on the “millshed study” included in the Oregon 2010 statewide forest assessment. This analysis would be one way to quantify the effects of changes in energy prices.
- The indicator needs to consider the costs of production, including energy prices.
- Consider substituting 2003 Montreal Process Indicator 32: *Value of wood and non-wood commodity production as a percentage of Gross Domestic Product.*
- Can we track annual profitability, stumpage value harvested, and production costs?
- Log price trends are not a leading indicator and in the recent past did not reflect that the sector had already gone over an economic cliff.
- Consider adding employment hours.
- Are new or developing parts of industry sector being considered, such as biomass?

8. Do you believe there is an adequate level of institutional commitment and resources allocated for continued full implementation and reporting of this indicator into the future?

- Generally, yes there is an adequate level of institutional commitment and resources allocated for continued full implementation and reporting of this indicator. But additional resources may be needed to track desired additional metrics and there is a serious concern that future ODF or other agency budgets will not be adequate to support the work.

9. What improvements would you like to see in future reporting for the indicator?

- See responses to Question 7.
- It is time to transition the sector's business model to quality and sustainability rather than quantity. A restoration economy is needed.

Oregon indicators of sustainable forest management ratings explanations

Indicator Condition:



Good

Desired trend or target is being achieved



Mixed or Fair

Conflicting factors are affecting the status in both positive and negative ways



Poor

Desired trend or target is not being achieved

Indicator Trend:



Improving

Current status is an improvement compared to previous data



Mixed, Uncertain, or No Change

There are either conflicting (mixed) trends, trend direction is uncertain, or there is no significant change compared to previous data



Deteriorating

Current status is a deterioration compared to previous data

Quality of Indicator Information:



Adequate

Data coverage, frequency, currency, sources, and reliability are sufficient to draw conclusions with high confidence



Partial

Data coverage, frequency, currency, sources, and reliability are of mixed quality which affects the ability to draw conclusions



Inadequate

Data coverage, frequency, currency, sources, and reliability are of insufficient quality to draw conclusions