

PRIVATE FOREST LANDOWNERS' HARVEST AND REGENERATION DECISIONS- EFFECT OF PROXIMITY TO PRIMARY WOOD-USING MILLS

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Abstract—Ownership of the U.S. southern timberland rests largely on private forest landowners' hands. As such, their harvest and regeneration choices can significantly impact the region's roundwood supply. In most cases, private forest landowners do not consider timber production among the top reasons for holding their lands. However, most research indicates that favorable timber markets (high demand of wood reflecting in high stumpage prices) can motivate landowners' participation. It follows then that landowners with access to strong timber markets (strength indicated by the number of primary mills and the volume consumed) will be more likely to engage in harvest and regeneration. To examine this assumption we develop an econometric analysis of the supply behavior of timberland owners given proximity to primary mills. We use FIA forest inventory and primary mill survey time-series data for the state of South Carolina, covering 1999 to 2011. Results reveal a weak response to mill proximity, particularly for regeneration, suggesting the need for tools other than timber markets to ensure continued regeneration efforts.

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