

Journal of Forest Business Research: an online scientific journal devoted to the science and practice of sustainable business in the forest sector

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ABSTRACT

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On behalf of our authors, reviewers, editors, scientific board members, and supporting institutions – we warmly welcome you to the inaugural issue of The Journal of Forest Business Research (JFBR). Establishing a new journal that addresses serious issues in academic publishing requires some explanation and justification. In this editorial feature, we describe the purpose and focus of the JFBR; and discuss the benefits of being a Journal reader; reviewer; and prospective author of scholarly research articles, review articles, and opinion pieces. Our goal is to accelerate scientific and practical discourse around local and global forest business issues by creating a unique platform for exchanging ideas supported by high standards of the peer-review process. Since we committed to doing a lot of hard work to make this Journal a success, we hope that our efforts will contribute to the further development of the bioeconomy based on science-based management and the use of forest resources in meeting global society goals. Our goal for the JFBR is to become the premier applied scientific journal that covers forest investments, finance, and economics. This would be a unique applied forest investment journal in the modern era, drawing from broader approaches such as U.S. journals of applied forestry, European forest economics journals, and classical business management and case study journals. JFBR would be dedicated to the application of forest finance and business management to investments in forests for traditional commodity markets to new emerging objectives such as nature-based solutions, environmental, social, and governance (ESG) components, carbon offsets, or net zero market development. The next section describes why we decided to open a new journal. Then we summarize all the papers included in our first inaugural issue. Finally, we indicate how you can support our efforts.

WHY ARE WE LAUNCHING A NEW JOURNAL?

Every big journey begins with a small step. We are delighted to officially start the Journal of Forest Business Research (JFBR). Last year, we worked diligently to register the Journal, establish the website and gather international experts in the Scientific Board. These efforts were worth making based on many positive responses and comments that such a journal is needed in our industry. Therefore, we would like to communicate our novel approaches and academic and practical research and publication needs we are trying to fill.

First, forest finance and economics research and applications have increased greatly in the last few decades as forests have become more important for active investments by a diverse set of private and public landowners, including traditional small private, industrial, and government owners. In addition, new groups of forest landowner structures and categories have emerged, including timber investment management organizations (TIMOs) and Real Estate Investment Trusts (REITs), as well as various community partnerships, environmental nongovernment organizations (ENGOS), and land trusts. These groups have been attracted to forests not only for the commodity and “provisioning” services (e.g., wood fiber, fuel) that forests provide, but also for the ecosystem service regulating (e.g. climate, flood), cultural (e.g., aesthetic, recreational), and supporting (e.g., nutrient and soil cycles) services, as categorized by the seminal 2005 Millennium Ecosystem Assessment. New investment vehicles and increases in timberland as an asset class have diversified and increased greatly. These innovations and applications of timberland investment have outpaced the research and dialogue about forest as a commercial asset class, calling for more research and more accessible practical literature on the subject.

Second, interest in payments for a broad range of environmental services has expanded greatly as well, albeit with less apparent market impacts to date. Ecosystem payments for these services offer considerable promise for forest investments and protection, as well as for solutions for global climate and biodiversity crises. A mix of public and private capital and financial instruments are the foundations for success in addressing global environmental services as well as production subjects. This interaction of forest finance, business, and public policy is growing, but few scientific efforts are focused on analyzing and encouraging such actions. If access to peer-reviewed articles and science is limited, these solutions are also limited. We have edited prior scientific journal special issues on forest finance and economics, and have been asked to edit several others since. This perceived demand suggests that the business of forestry has increased and changed, and that the broader science of forest business applied to traditional timber and

fuel, and emerging ESG principles, needs to develop new institutional approaches to analyze and discuss forest investments. That's why we established JFBR to address this issue as an international peer-reviewed open-access journal for research and applications of forest finance and economics. We will seek to publish both applied and theoretical articles that address the status and practice of investments for diverse forest asset types.

Third, since we live in times of information overload, finding reliable and peer-reviewed sources of information becomes more challenging. Therefore, we will seek research and review articles that provide a clear statement and examples of how practitioners can use them in the forest investment sector. We also will try to extend the list of our publication categories to offer a joint section or a specially dedicated publication called Forest Business Notes. Forest Business Notes will include current findings, white papers, reports, business research and thought leadership articles that are worth communicating with the professional forest business community. In addition, forest Business Notes will be peer-reviewed like opinion pieces, which provide a forum for injecting scientific information and/or viewpoints into a pressing issue or advocating for a specific policy aim. We believe that Forest Business Notes will deliver additional credibility, reputation, and quality improvements to the in-house publication efforts for many institutions and companies.

Fourth, the review and publication process took a long time in the past. A one- to two-year lag between article submission and publication makes articles outdated before readers can see them. Many journals are improving this problem, but we do want to shorten this cycle, so we decided to reward reviewers for their time, effort, and diligence in evaluating manuscript submissions.

Fifth, many well-established journals are often quite expensive for researchers but also business representatives. There are some good reasons for this, along with other, less salutary ones. Nevertheless, such expenses create knowledge barriers for valuable research and opinions to spread to a wider audience inside and outside academic circles. Although this is also a challenge for our Journal as we are in an early start-up phase, in the long run, our mission is to make this Journal cost competitive in terms of open-access publishing and the most recognized in the international forestry community for forest finance, investments, business, and climate solutions. Page charges will cover costs associated with proofreading by staff, file management, and publication infrastructure.

Sixth, supporting the forestry community has always been at the top of our goals as forestry scientists and practitioners. That's why we decided to sponsor **The Forest Business Economics Awards** – awards for

the most inspiring and outstanding forest business economics research presentations. These awards are dedicated to Master's and PhD students. We are very proud that two awards were already granted in our inaugural year during the Biennial Scandinavian Society of Forest Economics (SSFE) meeting. To provide leadership as an ethical and socially responsible Journal, we firmly believe that we should align our technical and financial resources to demonstrate our commitment to the principles of the evolving business and practice of forest investments for diverse markets of commodity and environmental benefits.

WHAT TYPES OF ARTICLES ARE WE SEEKING?

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.

OVERVIEW OF THE INAUGURAL ISSUE

In the inaugural issue, we have published five papers stemming from research by several of our co-editors and other researchers, as described below. These provide a solid mix of applied forest investment and finance articles that further our objectives of providing articles based on relevant theory, empirical research, and useful cases and applications.

Chudy et al. (2022) examined the profitability of planted versus natural forest management in Poland and the U.S. South. The results have shown that natural regeneration regimes produce higher internal rates of return (IRR) for both countries and species, primarily due to lower establishment costs. Furthermore, the authors concluded that natural stand forest management, in addition to better rates of return, may bring other non-financial benefits (e.g., genetic diversity, resilience), which may support forest owners and the environment, especially under changing climate conditions.

Hiegel et al. (2022) found a significant difference in transaction costs reported in U.S.-based and non-U.S.-based timberland transactions. The study shows differentiation in transaction costs by location and size of the timberland estates. It was concluded that transaction costs do not deter most investors from placing capital in this asset class. This peer-reviewed article provides a baseline of transaction cost information for investors and professionals interested in the timberland real asset space.

Chhetri and Pelkki (2020) compared the forest management objectives between family and industrial or corporate forest landowners. They also provided robust information about forest management intensity and the unit cost associated with those activities. It was found that the unit cost for mechanical site preparation was the highest among several forestry practices, and these costs varied based on forest types. Researchers also found that timber production and land investment were the most important for private landowners in Arkansas and that this region has more potential for timber supply in the market.

Gutierrez-Castillo et al. (2022) analyzed the immediate impact of rapid fuel cost inflation from February to May of 2022 on the logging sector based on a survey sent to 430 logging and/or hauling firms in Arkansas. They found that timber production declined in May compared to January, but the firms reacted

differently. 31.6% of the firms harvested more, 18.4% kept their production constant, and 50.0% of the firms significantly lowered their production by 16.1%. The authors concluded that several potentially confounding factors explain the loggers' different responses during the high fuel price context.

Cubbage et al. (2022) estimated stand-level timber investment returns for a range of 16 countries and 47 planted species/management regimes in 2020, using capital budgeting criteria. They found that South American, New Zealand, and Spain plantation growth rates and their concomitant investment returns were generally greater, except for some pulpwood regimes, with real Internal Rates of Return (IRRs) of more than 11%. Southeast Asia had the highest timber prices and calculated stand-level IRRs globally, at more than 20%. Temperate forest plantations in the U.S. and Europe returned less, from 3% to 7%, but those countries have less financial risk, better timber markets, and more infrastructure.

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 2023.

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. 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 recently established a [Twitter](#) and a [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 etc., do not hesitate to contact us via our website: www.forest-journal.com

Have a great read!

Respectfully,

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