

Welcoming Remarks

Dr. Justin Baker

Director of SOFAC

Associate Professor of Forest Resource Economics

North Carolina State University

Email: jsbaker4@ncsu.edu

SOFAC *Southern Forest
Resource Assessment
Consortium*

Meeting Schedule

- Morning Session 8/9
 - Focus on data – FIA and TPO Updates
- Early Afternoon Session 8/9
 - SubRegional Timber Supply (SRTS) model focus
 - Recent development updates
 - New applications
 - Moving forward

Meeting Schedule

- Late Afternoon Sessions 8/9
 - Emerging graduate student and postdoc research showcase
- Evening
 - Reception, Durham Bulls game

Meeting Schedule

- Morning/Afternoon Sessions 8/10
 - Special topics
 - Global change and the southern forest sector
 - Bioenergy systems, markets and policy analysis
 - Future land use change in the southern U.S.
 - Mill capacity expansion, markets and carbon
 - Carbon offsets and the forest sector
- Late Afternoon 8/10
 - SOFAC Business Meeting
 - One representative per institution
 - Focus on budget, research activities for the coming year

Highlights from 2021-2022

Publications of Interest:

- Henderson, J., Abt, R. C., Abt, K. L., Baker, J. S., Sheffield, R. (2022). **The impact of hurricanes on forest markets and economic welfare: The case of Hurricane Michael.** In press. *Forest Policy and Economics*.
- Abt, R. C., Galik, C., Baker, J. S. (2022). **When burning wood to generate energy makes sense.** In press. *Bulletin of the Atomic Scientists*.
- Wade, C. M., Baker, J. S., Jones, J., Austin, K., Cai, Y., Bean, A., Latta, G., Ohrel, S., Ragnauth, S., Creason, J., McCarl, B. (2022). **Projecting the impact of socioeconomic and policy factors on greenhouse gas emissions and carbon sequestration potential in U.S. forestry and agriculture.** *Journal of Forest Economics*. 37(1): 127-161.
<http://dx.doi.org/10.1561/112.00000545>
- Daigneault, A., Baker, J. S., Guo, J., Lauri, P., Favero, A., Forsell, N., Johnston, C., Ohrel, S., Sohngen, B. L. (2022). **The future of the forest carbon sink depends on markets, management, and carbon policy.** Provisionally accepted. *Global Environmental Change*.
- Rossi, D. O.-P. Kuusela. 2022. **Carbon and timber management in western Oregon under tax-financed investments in wildfire risk mitigation.** In press. *Journal of Agricultural and Resource Economics*.
<https://ageconsearch.umn.edu/record/320670?ln=en>
- Galik, C. S., Baker, J. S., Daigneault, A., Latta, G. 2022. **Crediting temporary forest carbon: Retrospective and empirical perspectives on accounting options.** In press. *Frontiers in Forests and Global Change*.

Highlights from 2021-2022

Working Papers of Interest (under review):

- Favero, A., Daigneault, A., Sohngen, B., Baker, J. S. (2022). **A system-wide assessment of forest biomass sustainability.** Revise and resubmit. *GCB-Bioenergy*.
- Baker, J. S. Van Houtven, G., Phelan, J., Latta, G., Clark, C., Austin, K., Sodiya, O., Ohrel, S., Buckley, J., Gentile, L., Martinich, J. 2022. **Projecting U.S. forest management, markets, and carbon sequestration responses to a high-impact climate scenario.** Revise and resubmit. *Forest Policy and Economics*.
- Dhungel, G., Rossi, D., Henderson, J., Abt, R., Sheffield, R., Harris, R., Baker, J. S. (2022). **Critical market tipping points for high-grade white oak inventory decline in the central hardwoods region of the United States.** *Submitted for initial review.*
- Dhungel, G., Ochuodho, T.O. (2022). **Economic impacts of projected white oak (*Quercus alba*) timber supply in Kentucky: A CGE model analysis.** *Under peer review.*
- Dhungel, G., Ochuodho, T.O., Lhotka, J.M., Stringer, J.W. (2022). **Sustainability of white oak (*Quercus alba*) timber supply in Kentucky.** *Under peer review.*
- Favero, A., Daigneault, A., Sohngen, B., Baker, J. S. 2022. **The economics of forest carbon debt.** Submitted. *Communications Earth and Environment*.
- Sodiya, O. E., Parajuli, R., Abt, R., Gray, J. 2022. **Spatial Analysis of Forest Product Manufacturers in North Carolina.** Revise and resubmit. *Forest Science*

Highlights from 2021-2022

Working Papers of Interest (under development):

- Rossi, D., Baker, J. S., Henderson, J., Abt, R., Brandeis, C., Prestemon, J. (2022). **A development of downscaled forest sector pathways for the US south: Implications for carbon storage and forest inventories.** *In Preparation.*
- Rossi, D., Baker, J. S., Abt, R. **Quantifying additionality thresholds for forest carbon offsets in southern pine pulpwood markets.** *Selected Paper prepared for presentation at the 2022 AAEA Meeting. Anaheim, CA. July 31-Aug. 2.*
- Baker, J. S., Lauri, P., Daigneault, A., Johnston, C., Forsell, N., Guo, J., Favero, A., Ohrel, S., Sohngen, B. (2022). **Greenhouse mitigation potential of wood products: A global multi-model assessment.** *In preparation.*
- Latta, G., Baker, J. S. Daigneault, A., Ohrel, S., Galik, C. (2022). **Estimating leakage potential from voluntary forest carbon market participation in the United States.** *In preparation.*
- Larson, J., Yao, S., Steller, J., Bean, A., Franzen, K., Ohrel, S., and Baker, J. S. (2021). **The effect of state-level renewable portfolio standards on biomass use in the U.S. electric power sector.** *In Preparation.*

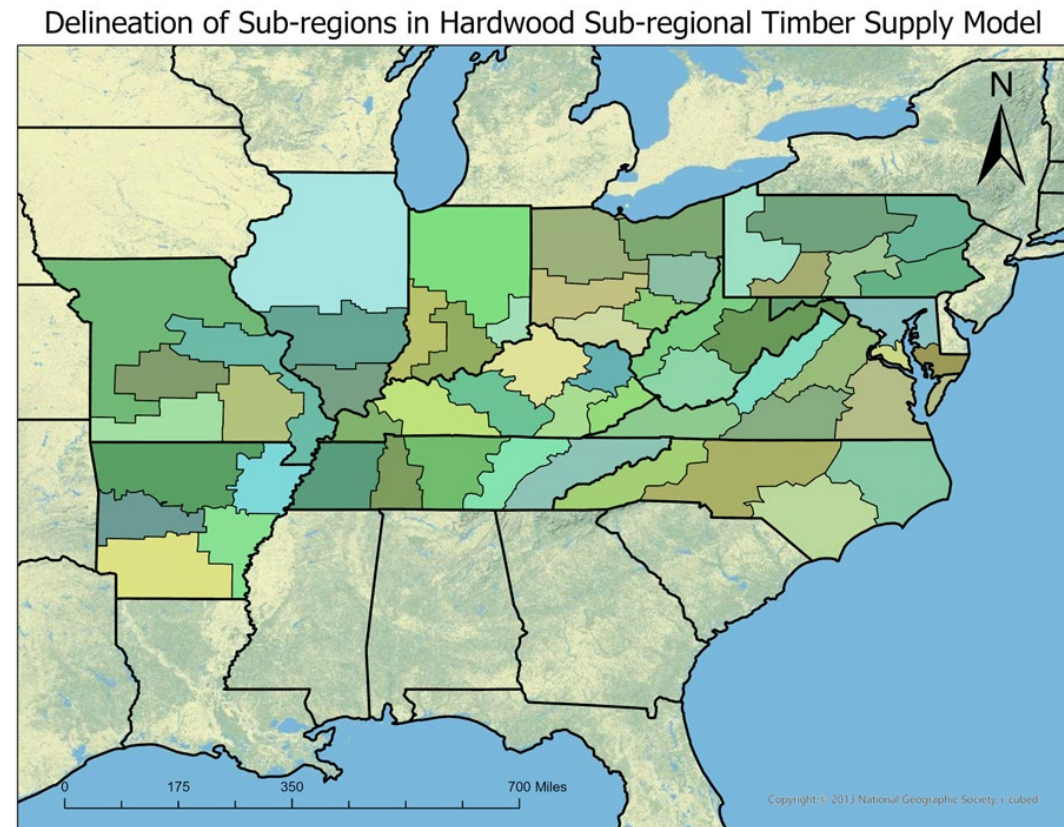
Highlights from 2021-2022

- SOFAC blog posts

- [July 22, 2022 – Changes in growing stock inventory data](#)
- [May 19, 2022 – TPO data: recent trends and county-level variation \(white paper\).](#)
- [November 8, 2021 – The relationship between mortgage rates and sawtimber prices.](#)
- [October 4, 2021 – An approach which can visualize the difference in market- and policy-driven changes in forest carbon sequestration over time.](#)

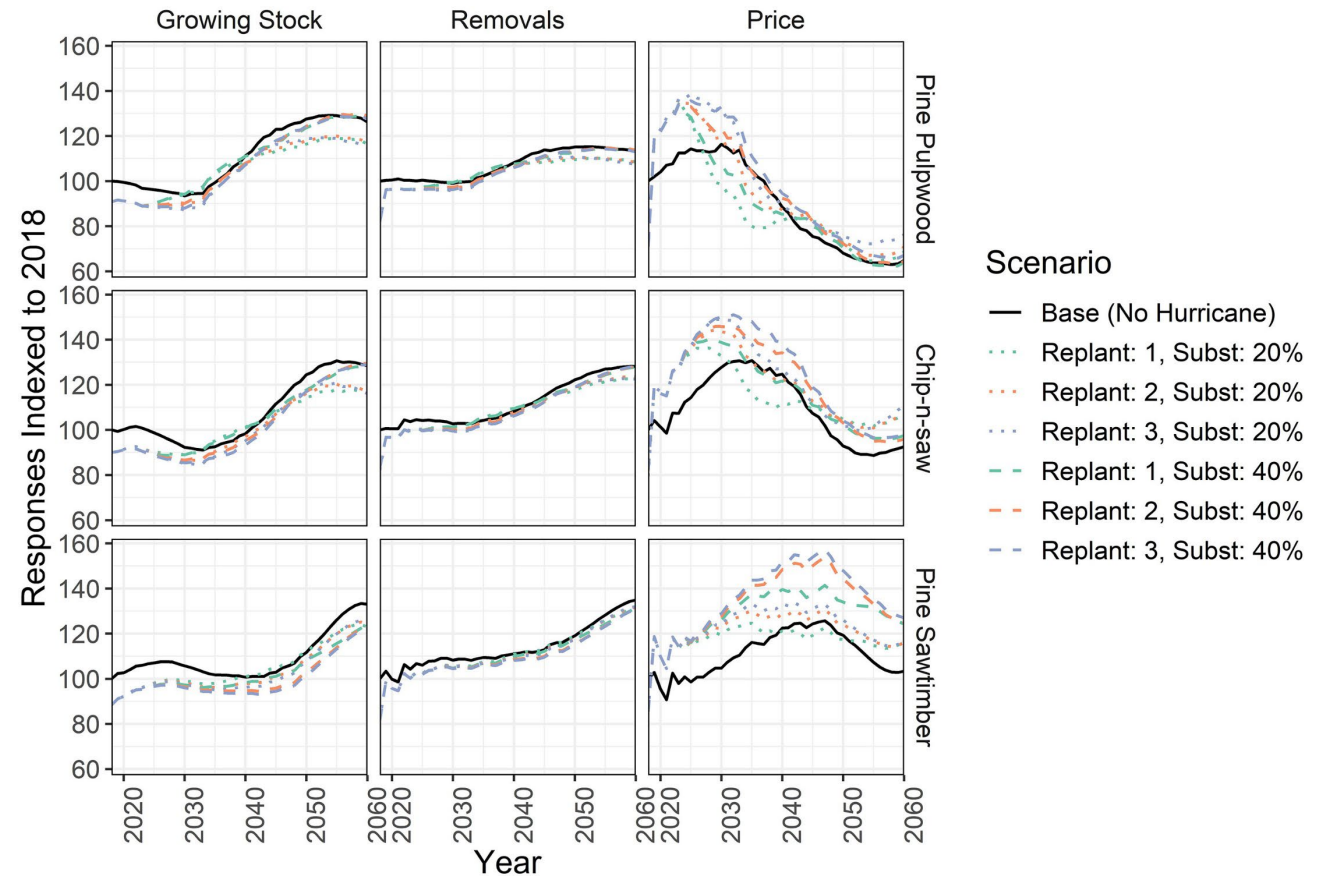
Highlights from 2021-2022

- SRTS Development
 - Hardwood SRTS model development and application



Highlights from 2021-2022

- Manuscript on Hurricane Michael impacts
 - Henderson et al. (2022)



Moving Forward

- Improved flexibility with SRTS for policy and market applications
 - E.g., carbon markets/policy
- Moving from single baseline to structured sensitivity analysis and Monte Carlo
- Applications linking remotely sensed data with SRTS
 - Initiating new Hurricane Ida study with terraPulse
- Strengthened collaboration with FPC and TIP

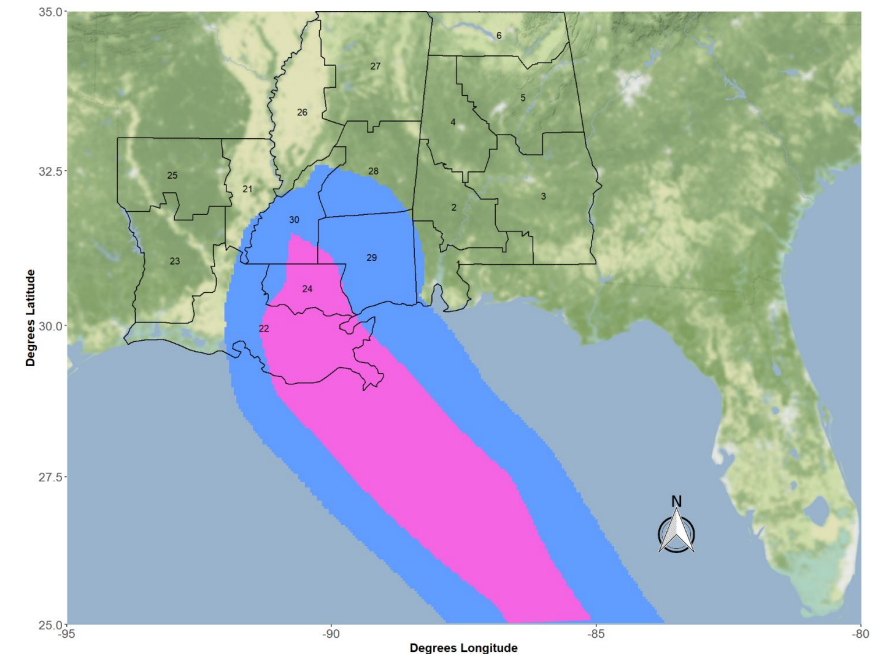


Figure 1. Hurricane Ida and U.S. Southern Region – High Severity (pink) and Low Severity (blue).

Antitrust Statement

The avoidance of collusive practices by members of a trade or technical association that affect prices, fees, or the ability of others to compete is a major goal of the antitrust laws. This requires that particular attention be paid to the activities of associations, and in turn that associations monitor their own activities to be sure that anticompetitive effects do not result. A summary of some of the aspects relevant to the Southern Forest Resource Assessment Consortium (SOFAC) meetings follows, drawn with permission from a similar statement by the Forest Products Society.

1. Price fixing is clearly illegal. This includes concerted action to raise, lower, or stabilize prices. Price fixing is a per se violation; that is, in itself it is deemed to be unreasonable restraint of trade. No company may discuss private firm prices with a competitor at society meetings or elsewhere. SOFAC meetings discuss macroeconomic timber supply and demand models and past price trends and future projections based on publicly available data; however, discussions of privately collected and maintained data are clearly not allowed.
2. There must be no agreement among competitors to limit or otherwise control production volumes. Discussion of production volumes or quotas at association meetings, or otherwise, should be avoided.
3. Agreements to allocate customers or markets are also illegal. Discussion from which allocation agreements could be inferred should be avoided.
4. Agreements to channelize distribution are unlawful per se.
5. Cost surveys and compilation of cost statistics are not unlawful per se. However, cost surveys may not include profit information or anything from which concerted action, price markups, or profit margins could be inferred. Data on historical costs only, across broad geographic areas, will be the only costs addressed by this organization.
6. It is lawful to gather and disseminate industry statistics on past sales, production volumes, or timber harvests, providing the information relates to past transactions, does not disclose information from individual companies, and does not involve agreements or concerted action relative to the activities involved.
7. Conspiracies in restraint of trade are seldom proved by direct evidence of agreements; rather they are usually proved by inferences from writings, conduct, and communications between competitors. Verbal understandings on prices, market shares, etc., are as illegal as written understandings. In fact, much of the evidence in antitrust cases has been verbal communications.

Antitrust Statement

Therefore, it is prudent, and in fact essential, to avoid discussions or activities in society meetings from which unlawful action could be inferred by enforcement agencies. Any such activity at Southern Forest Resource Assessment Consortium (SOFAC) meetings could subject member companies to costly and highly prejudicial antitrust attack.

If at any time during the course of discussion at SOFAC technical or business meetings you as an individual feel that the discussion borders on possible violation of antitrust compliance, you should indicate to the chair that you object. If the discussion continues, you should remove yourself from the situation after requesting that written record of your objection be made.

Adopted for use in the Southern Forest Resource Assessment Consortium (SOFAC) meetings by unanimous vote by the SOFAC membership as the first item of business on Wednesday, November 28, 2001 at 8:00 am, Atlanta, Georgia.

Accepted by revised NC State University SOFAC cooperative members, October 11, 2007.

Thank you