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How to both harvest and preserve forest more or better
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FOREST PROFITABILITY MEASUREMENT
A pilot project to extend FADN to Italian forestry sector

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Outline

- Background and project objectives
- The new accounting software for agricultural enterprises - GAIA®
- Methodology to input forest stands data
- Accounting scheme for forestry assets

Background

- The timber sector has been experiencing a marginal economic role in Italy
  - 95% of forests are in hilly and mountain regions (LDAs)
  - 60% are private forests, but the average size is 3 ha/firm!
- The decline of timber market value (~30 €/m^3) has emphasized such marginality

Scarce interest of timber producer organizations to collect data on sector performance

Background

Agenda 2000 → EU finance forestry sector

12–14% of EU-RD budget

Forest related policies designed for:

- Forestry and Agro-forestry Farms
- Logging enterprises

Regional administrations
→ increasing demand for economical data over the forestry sector

National Institute for Agricultural Economics (INEA) and Italian National Rural Network (FADN)

→ **policy impact evaluation tools**

Forestry FADN project

INEA

Objectives of Forestry FADN project

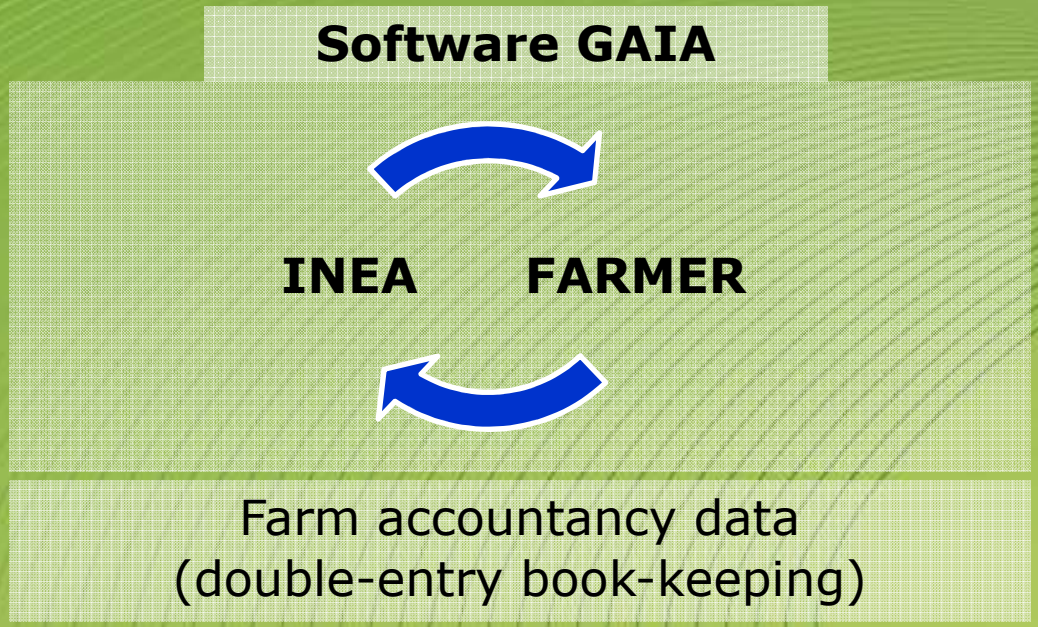
- To extend FADN survey over forestry owners and logging enterprises → Pilot survey in Veneto Region

- Propose a way to harmonize the multi-annual forestry production with the annual agricultural one

- **Output** → upgrade the accounting software GAIA® used for farm data collection by INEA

GAIA development and implementation

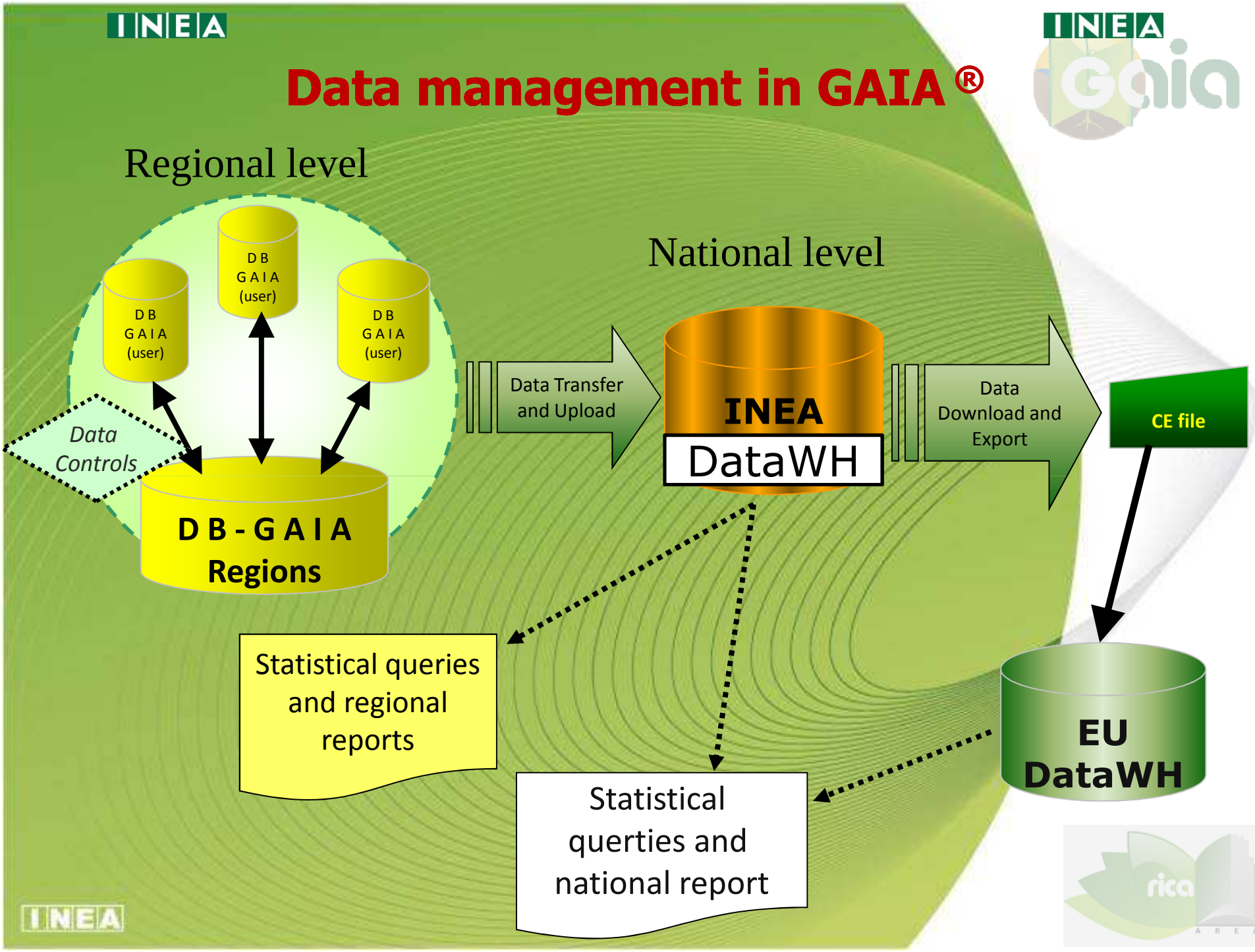
FADN data collection is organized and managed by INEA (since 1968)

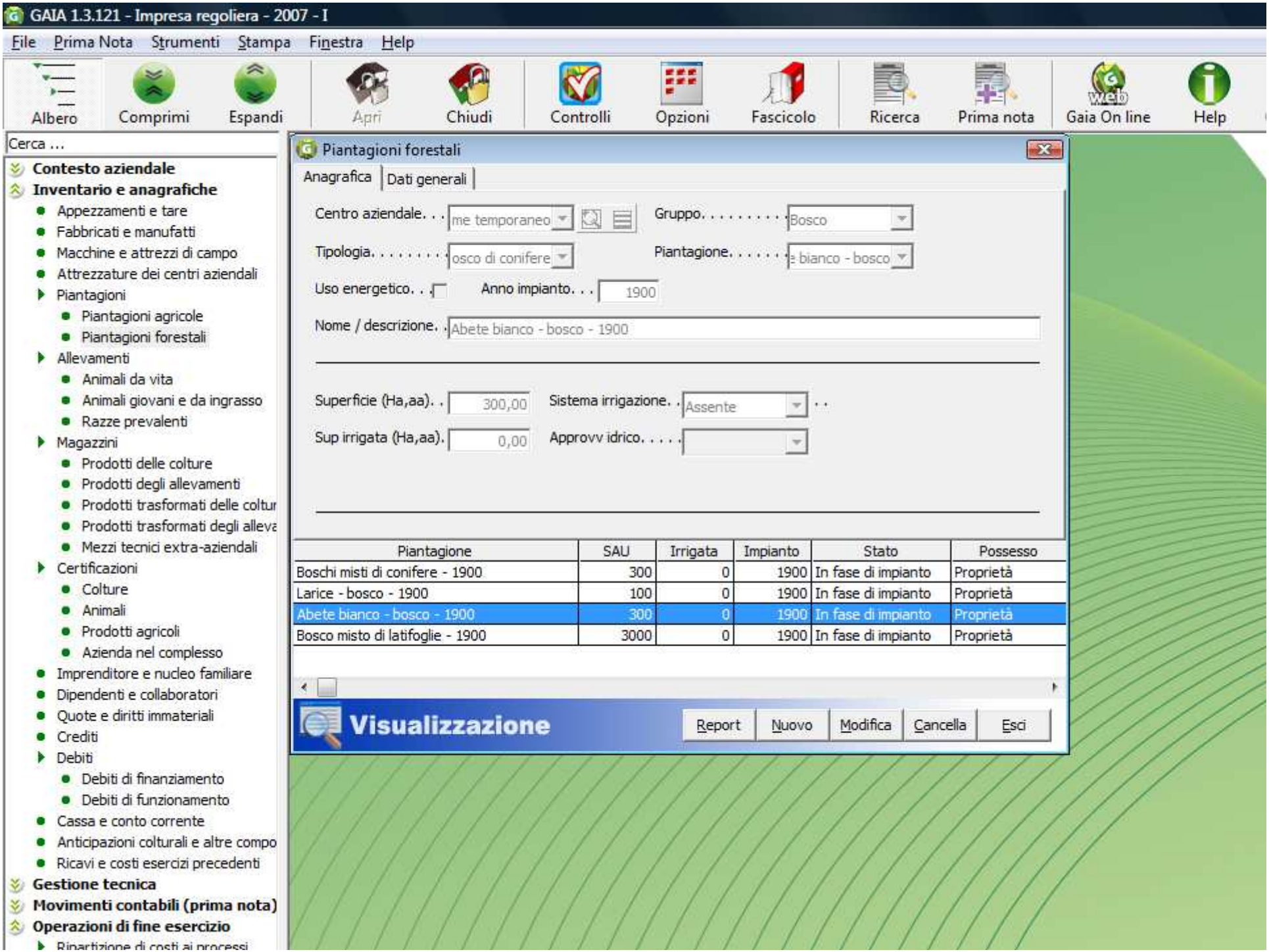


GAIA's strengths

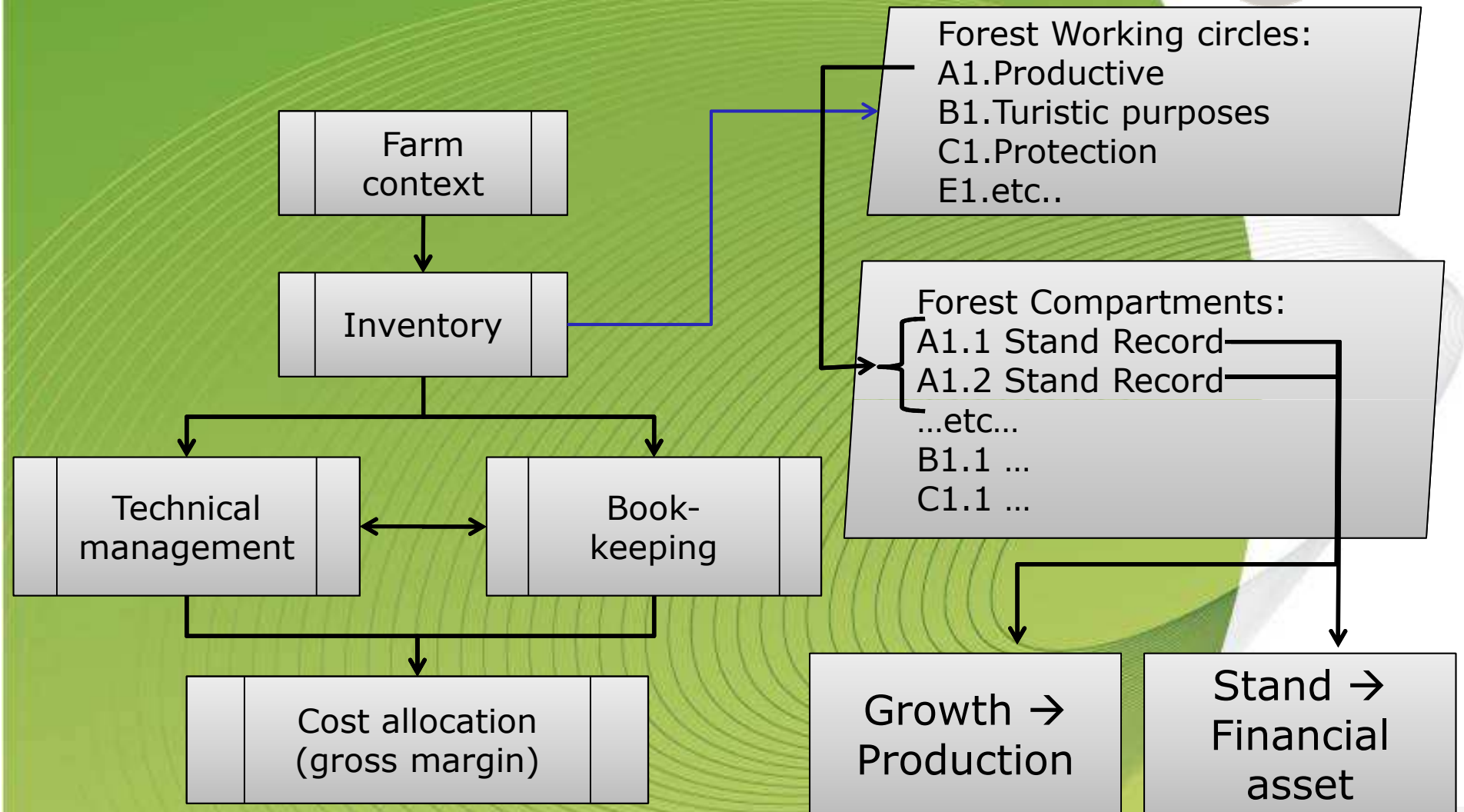
- Combination of technical information with assets management
- Calculation of financial ratios and economic indicators
- Farm efficiency and economic analysis

Data management in GAIA ®




GAIA 1.3.121 - Impresa regoliera - 2007 - I
File Prima Nota Strumenti Stampa Finestra Help
Albero
Comprimi
Espandi
Apri
Chiudi
Controlli
Opzioni
Fascicolo
Ricerca
Prima nota
Gaia On line
Help
Cerca ...
Contesto aziendale
Inventario e anagrafiche
Appezzamenti e tare
Fabbricati e manufatti
Macchine e attrezzi di campo
Attrezzature dei centri aziendali
Piantagioni
Piantagioni agricole
Piantagioni forestali
Allevamenti
Animali da vita
Animali giovani e da ingrasso
Razze prevalenti
Magazzini
Prodotti delle colture
Prodotti degli allevamenti
Prodotti trasformati delle coltur
Prodotti trasformati degli alleva
Mezzi tecnici extra-aziendali
Certificazioni
Colture
Animali
Prodotti agricoli
Azienda nel complesso
Imprenditore e nucleo familiare
Dipendenti e collaboratori
Quote e diritti immateriali
Crediti
Debiti
Debiti di finanziamento
Debiti di funzionamento
Cassa e conto corrente
Anticipazioni colturali e altre compo
Ricavi e costi esercizi precedenti
Gestione tecnica
Movimenti contabili (prima nota)
Operazioni di fine esercizio
Ripartizione di costi ai processi
Piantagioni forestali
Anagrafica
Dati generali
Centro aziendale. . . me temporaneo
Gruppo. . . . . Bosco
Tipologia. . . . . osco di conifere
Piantagione. . . . . e bianco - bosco
Uso energetico. .
Anno impianto. . . 1900
Nome / descrizione. . Abete bianco - bosco - 1900
Superficie (Ha,aa). . 300,00
Sistema irrigazione. . Assente
Sup irrigata (Ha,aa). 0,00
Approvv idrico. . . .
Piantagione | SAU | Irrigata | Impianto | Stato | Possesso
Boschi misti di conifere - 1900 | 300 | 0 | 1900 | In fase di impianto | Proprietà
Larice - bosco - 1900 | 100 | 0 | 1900 | In fase di impianto | Proprietà
Abete bianco - bosco - 1900 | 300 | 0 | 1900 | In fase di impianto | Proprietà
Bosco misto di latifoglie - 1900 | 3000 | 0 | 1900 | In fase di impianto | Proprietà
Visualizzazione
Report
Nuovo
Modifica
Cancella
Esci

Forest property recording method



Accounting scheme

Macro-category → woodland (productive)

Category → working circle (cost center) → Gross Margin

Sub-category → compartments → stand records

Input for calculation

> BORCHERS *et. al.* (2002)

Forest inventory

→ value of timber-stocks calculated differentiated according to species and diameter-classes

→ value of the opening stock at the beginning of the year

\+ sales revenues – harvesting costs

→ net value of exploited timber

+/- difference between net value of exploited timber and calculated net value of the annual increment

→ value of the closing stock at the end of the year

Open issues

We want share our proposals and get suggestion from other European experiences

Questions

- Which evaluation method for (productive) growing stock is the most suitable, considering the project objective?
- When and how NWFPs (marketable) or forest ecosystem services "production" (not marketable) influences the gross margin?

Thank you for your attention

www.gaia.inea.it

Accounting scheme for forestry asset (productive forest)