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Abstract: Non-Industrial Private Timber Supply: What have we learned from micro data?

This presentation reviews empirical studies on non-industrial forest owners' timber supply using survey data. The theoretical models of forest owner behaviour used to derive empirically testable hypotheses are outlined and, especially, the expected effects of timber prices on supply discussed. Selected empirical results obtained in the literature are presented and their interpretations presented. Empirical models (including those using aggregated time series data) produce fairly consistent results concerning the short-term effects of stumpage prices and forest owners' non-timber income on timber supply. However, the policy relevant long-term effects of exogenous variables have had little attention in econometric studies on timber supply, in spite of the fact that theory concerning the long-term effects of prices, interest rates and costs is well established.

In this presentation, presumptions for better empirical understanding of the long-term determinants of timber supply are discussed. For valid inference, sufficient attention should be paid to the statistical properties of reduced form supply equations to be estimated. Also, the data requirements for testing the theoretical hypotheses on NIPF owners' timber harvesting decisions and the effects of owner objectives (preferences of the forest owners) in multifunctional forestry should gain more attention in the future research. As micro-data will always have a limited time dimension, the possibilities for the interpretation of the cross-sectional information must be studied further in order to be able to quantify NIPF owners' policy relevant long-term forest management and timber supply decisions.