



WORLD
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World Forest Institute

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2007 WFI Conference on "Investing Globally in Forestland" Attracts 275 Participants

On September 10-12, 2007 WFI held its first Global Series event in the "Who Will Own the Forest?" series of summits. The event entitled "Investing Globally in Forestland," was attended by 275 representatives from the forest industry, TIMOs, pensions and investment community and consultants. The conference examined potential benefits and challenges to investing in timberland and was directed to investors in U.S. properties and to issues encountered by investors in acquiring offshore properties.

21 speakers from various countries presented, including WFC directors Colin McKenzie, Dennis Neilson, Bill Bradley, Ken Hines, Jeff Nuss and Rick Smith. Sponsorship for the event was at an all-time high of 18 corporations and associations: American Forest & Paper



WFC Director Bill Bradley, an attorney, presented on the impacts of tax laws on U.S. timberland investments.

Association, Forest Capital Partners, The Forestland Group, Forest Systems, Green Crow, Green Diamond Resource Company, Hancock Timber Resource Group, John Hancock Bond and Corporate Finance Group, MetLife Timberland Finance Group, Moss Adams, Port Blakely Tree Farms, RMK Timberland Group, Royal Bank of Scot-

land, Stimson Lumber Company, Stoel Rives, Sutherland Asbill & Brennan, Timberland Investment Resources, and TimberWest.

The success of the event highlighted that interest in timberlands as an asset class remains strong. With land values in North America rising, many investors are now eyeing opportunities offshore.



Networking (left) was an important activity for participants. WFI staff (right) were on their toes running the event.

Weyerhaeuser Scholar Welcomed to WFI

WFI welcomed Qingchun “Young” Kong from Beijing, China, in September. Young is spending six months working for Weyerhaeuser, and will spend two months of his time at WFI. Young works for the State Forestry Administration in China as a secretary to one of the forestry ministers, Yucai Li. With investment opportunities growing quickly in China, Weyerhaeuser has long been interested in accessing the market and has recently begun doing more business with China. Young is exploring ways to facilitate investment opportunities for Weyerhaeuser, and is also learning about sustainable forestry management in the Pacific Northwest.

Young has a diverse background, and has worked as a chemistry teacher, environmental engineer, and banker. He completed a Ph.D. in sustainable development theory in 2002 and has been with the State Forestry Administration since then. His current position involves working with forestry policies, investment systems, the forest industry, and local government. He welcomes inquiries about China and investment and hopes to make many contacts while in Portland.



Young Kong in Yunnan Province in SW China during a visit to a new conservation area. His office has been instrumental in China’s “Conversion of Cropland to Forestland” program, one of six key forestry programs operating now.

Fellows Learn Lessons about Public Involvement, Participation from Federal Land Managers

Over the past decades, federal forest management in the Pacific Northwest has undergone a dramatic shift from providing large volumes of timber to conservation values. With new demands from the public, managers have placed more emphasis on ecosystem restoration and watershed health. Fellows visited with two much discussed national forests, the Siuslaw and the Siskiyou.

The Siuslaw is praised as a prime example of collaboration between environmental groups, local communities, and USFS managers. One-third of all harvest on the Siuslaw falls under Stewardship Contracting, which permits the forest to retain receipts from sales and return the value of these harvests to restoration. Project proposals are approved by a diverse group of stakeholders. Resulting projects have primarily focused on habitat improvement and stream restoration.

The majority of stewardship harvests are accomplished via thinning, which pleases environmentalists and avoids the controversy of the clearcut. Sales are rarely appealed in the Siuslaw and stakeholders on all sides appear content.

This collaborative relationship between the public and USFS is not the case in all national forests, such as the Siskiyou, the home of the 2002 Biscuit Fire, although managers are working hard to achieve harmony. The Biscuit Fire burned nearly 500,000 acres over 4



Siuslaw National Forest managers explained the benefits of Stewardship Contracting, which has been approved by Congress in the forest until 2013.



Siskiyou District Ranger Joel King (center) discusses his personal approach to working with communities. One key point he mentioned is being honest with the public and taking responsibility for both successes and mistakes.

months, and the cost of suppression efforts totaled over US\$150 million (more than 7 times the annual budget of this national forest). In the years following, there were several salvage sales that were controversial, even though they represented a very small percent of the burn. Forest Supervisor Joel King and Partnership Coordinator Paul Galloway toured Fellows around the Biscuit and discussed their experiences working with communities and activists. Fellows were impressed by their positive attitudes and proactive approaches involving the local community in forest management decisions.



The Kalmiopsis Wilderness (above) was part of the Biscuit fire, and salvage logging was not permitted within wilderness boundaries. Five years after the burn standing trees are now beginning to fall.



Recent Events



Scott Ferguson at Trout Mountain Forestry toured Fellows around FSC certified lands under his management.



Those aren't bird nests! Zac Perry at Reed College Canyon showed Fellows how to kill invasive English Ivy by pulling and desiccating it in piles in trees where it can not set down new roots.



Paul McKay and Lara Stinger toured Fellows around Medford Moulding's mill and veneer slicing operation.



Now that's a big tree! Fellows visited Redwoods State Parks in California to see the world's tallest trees.

Fellows Present Unique Perspectives to the Public

WFI Fellows will be highlighting issues in their home countries in a series of public talks at WFC.

In October, Matthew Pope of Australia discussed softwood plantation management. Australia, like the US, is a net importer of timber. While attempting to narrow the fiber deficit, a range of new issues face forest managers, including plantation expansion, shifting ownership, and environmental services.

On November 8 Mr. Nerijus Miskinis will give a final presentation on his WFI project titled "In Search of Excellence for Lithuania's Forestry and Wood Industry Sector." Although managed by highly educated experts, today's forestry business in Lithuania still has room to learn as the country adjusts in the post-Soviet environment. Nerijus spent 12



Matthew, an operational forester, presented a summary of Australian plantation evolution and current opportunities and issues facing his region.

months interviewing CEOs and managers in the Pacific Northwest forest industry and will present his comparative study of forestry sector issues between Lithuania and the US based upon regional, social and cultural aspects.

On December 5 Ms. Mariane Bueno de Camargo will present "More than the Amazon: Forestry in Brazil." Mariane, an inventory forester with Klabin S/A, will discuss Brazil's culture, economy, forests, and the importance of Brazil's plan-

tations for the United States. Brazil has around 550 million ha of native forest and 6 million ha of planted forests. The main species planted for industries are Pine and Eucalyptus. Currently, Brazil is the world's largest exporter of softwood plywood and fencing, is also the second largest exporter of moulding to US.

All presentations are held at 4:00 pm in the Mount Hood Room at the WFC Forest Discovery Museum. RSVPs are appreciated to Program Manager Angie DiSalvo at adisalvo@worldforestry.org.

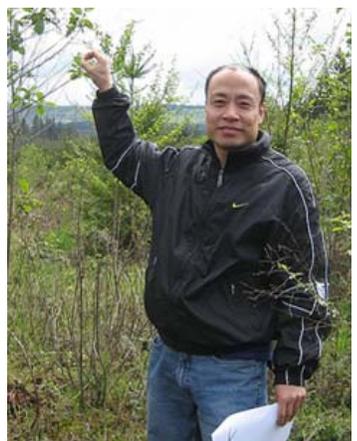
WFI Bids Farewell to Chinese Fellow Zengwang Ma

After spending one year at WFI, Zengwang Ma will depart for his hometown in Hebei, China. "I had one year great time to conduct this program in Oregon," said Ma. "I have regarded Portland as my second hometown, hopefully, I will have a chance to visit again."

In Hebei, Ma is a researcher involved in restoration projects. His province has completed many projects to restore degraded ecological systems, which are now vigorous young forests. The task at hand now is to manage these young stands for

future threats, including wildfire prevention, invasive species, and new forestland management techniques. During his program Ma examined the Oregon experience for dealing with such problems in order to take lessons back to Hebei. Ma recommends an integrated strategy that keeps ecosystem integrity mind and involves long-term planning, forest management, and research.

"I am missing my family after this one year abroad," said Ma. "The first thing I'll do when I return is spend some time with my wife and daughter, then I will con-



Ma examines a young stand that did not undergo any vegetation management in early years.

tinue my forestry research at Hebei Academy of Forestry Science." We wish Ma all the best upon his return home.

Updates from our Alumni Around the Globe



Andreas Schuck (Germany) works for the European Forest Institute as the Program Manager for Forest Resources and Information. This is one of four research programs at EFI. His predominant duties are managing and administrating the research program, personnel management, preparing project applications, and leading and running projects. EFI is quite international and his team currently includes 12 researchers from 7 countries who work on small to large EU funded projects. Andreas is able to do a lot of traveling with the job, primarily within Europe.

The Schuck family has moved back to Freiburg, Germany, where the kids (Lukas 16, Judith 12, and Finn 9) now attend school. Andreas' wife Annette is doing teaching training to be a high school teacher and will be finished with that next year.

Andreas says that he is still playing music in a Finnish heavy metal band—watch for him in case he hits the big time!

Send us your updates and photos for the next issue!



Kyung-Tae “Esteban” Park, of Eagon Industrial, has been spending a few months in South America with another WFI alumnus from Eagon, Inchul “Ignacio” Jung, now General Manager of Eagon’s Chilean plymill, Eagon Lautaro. On a tour of Brazil, Kyungtae met with Alex Battistella (right) and Claudio Ortolan (left), both WFI alumni from Brazil. Alex works for his family’s forestry business, which includes pine plantations, logs, lumber and chips. Kyungtae met Claudio and his wife Sabrina in Curitiba. Claudio works on special projects for Klabin, Brazil’s largest pulp and paper producer. During his trip Kyungtae had time to send us an email update with pictures of him with Alex and Claudio, commenting that “South of Brazil, Parana and Santa Catarina states, you can see wonderful planted and natural forest everywhere.” He also noted that many Brazilian companies are struggling with the strong Brazilian currency, which has depressed demand from the US.



A few weeks later, Ignacio Jung (far right) made a trip to Portland to attend WFI’s “Investing Globally in Forestland” summit. The summit was a chance for Ignacio to reunite with his WFI colleague of 1996, Runar Gareyev (second from left), who also attended the summit. Runar has just completed the second edition of the “Russian Forest Industry Sector Review,” with co-author Dennis Nielson, a WFI director and director of DANA Limited. Information on the Review is available at www.dana.co.nz or www.russiantimber.com. Also attending the event was Mario Angel (left), an alumnus from Chile, who is now a consultant with The Beck Group in Portland. It was a delight to see these alumni reuniting in Portland.



After more than 12 years in Portland, Jussi Silventoinen (a 1995-96 WFI alumnus from Finland) and his American wife Christine, relocated to Helsinki Finland in September. Jussi, who had worked several years at The Beck Group consulting company, accepted a new position at Indufor Oy, a forest consulting company. He is now Head of Management Consulting and Senior Forest Industry Consultant. In an interesting twist, another WFI alumnus, Mikko Jaaskelainen (Finland 2001-02), also works at Indufor. Many WFI alumni will recall fond memories of making gingerbread houses, singing Christmas carols, and enjoying BBQs at the Silventoinen home. We wish them both the very best.

