



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**SCANDINAVIAN FOREST ECONOMICS**  
**No. 41, 2006**



Proceedings  
of the Biennial Meeting of the  
Scandinavian Society of Forest Economics  
Uppsala, Sweden, 8<sup>th</sup>-11<sup>th</sup> May, 2006

Lars Lönnstedt and Björn Rosenquist (eds.)

Uppsala

# SCANDINAVIAN FOREST ECONOMICS

## SSFE Board

### Finland

Heikki Pajuoja  
(heikki.pajuoja@metsateho.fi)  
and Ritva Toivonen (deputy)  
(ritva.toivonen@ptt.fi)

### Sweden

Lars Lönnstedt  
(Lars.Lonnstedt@spm.slu.se) and  
Anders Roos (deputy)  
(Anders.Roos@spm.slu.se)

### Denmark

Bo Jellesmark Thorsen (bjt@kvl.dk)  
and Carsten Smith Olsen (deputy)  
(cso@kvl.dk)

### Norway

Hans-Fredrik Hoen (chairman)  
(Hans.Hoen@umb.no)  
and Sjur Baardsen (deputy)  
(sjur.baardsen@umb.no)

## COORDINATORS OF THE WORKING GROUPS

### BUSINESS ECONOMICS OF FORESTRY & FOREST MANAGEMENT AND PLANNING

Niels Strange, Denmark (nst@kvl.dk)

### FOREST POLICY

Jussi Leppänen, Finland (Jussi.Leppanen@metla.fi)

### FOREST INDUSTRY & FOREST PRODUCTS MARKETS

Anders Roos, Sweden (Anders.Roos@spm.slu.se)

### INTERNATIONAL FORESTRY

Ole Hofstad, Norway (Ole.Hofstad@umb.no)

Scandinavian Society of Forest Economics  
No. 41, 2006

**Proceedings  
of the Biennial Meeting of the  
Scandinavian Society of Forest Economics  
Uppsala, Sweden, 8<sup>th</sup>-11<sup>th</sup> May, 2006**

Scandinavian Society of Forest Economics

ISSN 0355-032X



## Foreword

These Proceedings contain papers presented at the biennial seminar of the Scandinavian Society of Forest Economics, SSFE, May 8-11, 2006 in Uppsala, Sweden. The seminar was organized by the Department of Forest Products and Markets, Faculty of Forest Science, at the Swedish University of Agricultural Sciences.

The Proceedings are structured after the names of the authors. I did not dare to organize the manuscript according to subjects. I am sure that my way of classifying the contributions would have been disputed. The corresponding author of the papers is marked with “\*”, if we know who it is. A list of the names of the authors with a page number of the article(s) can be found at the end of this document. A list of participants, the program, the SSFE song and a poem are also given.

I would like to thank all the participants for coming and for the very interesting presentations that were given. I am most impressed that so many of you have taken the effort to write a paper for these Proceedings. They give an excellent overview of forest economics research in the Nordic countries in a broad sense and as well as in some other places around our globe.

These seminars are excellent meeting places. Senior researchers and young Ph.D. students come together for interesting discussions. It is a good opportunity for network building. However, presentations and discussions must be mixed with some social activities that stimulate the “getting together”. Thus we have the seminar dinner which this year took place at one of the fraternities of Uppsala. We spent a couple of hours together with guides to get to know Uppsala’s history a little better and hear about the not always so good relationships between the Nordic countries in the bad old times. The last day was used for an excursion to one of Setra group’s sawmills, Nyby, and the forests of the Sätuna estate.

I want to thank the key note speakers of the conference, Staffan Brege (Linköping University) and Paul Nouro (Metla), and all the chairpersons. I also want to thank the hosts of the excursion, Mikael Eliasson (Setra group), Åke Eriksson (Nyby sawmill), Agneta Borgenstierna (owner of the estate), Lennart Eriksson (SPM) and Anders Lindhagen (SPM).

Last but not least I want to thank the Nordic Forest Research Cooperation Committee (SNS) for their financial contribution.

Uppsala 27 September 2006

Lars Lönnstedt  
Chairman



## Table of contents

<i>Foreword</i>	3
<i>Table of contents</i>	5
<i>Baardsen, Sjur</i> Profit Efficiency in Norwegian Timber Supply: A Stochastic Frontier Function for Active NIPFs	9
<i>Backman, Ritta &amp; Hourunranta Pertti</i> Economical success factors of small-scale enterprises in the wood products industry	21
<i>Becker, Maria &amp; Laaksonen-Craig, Susanna</i> Barriers to Forest Certification in Developing Countries	23
<i>Bhaskar, G. &amp; Charyulu, Y</i> Marketing of forest products: income and employment perspective - an analysis	43
<i>Bredahl-Jacobsen, Jette, Jellesmark Thorsen, Bo &amp; Dubgaard, Alex</i> Sensitivity to scale in stated preference valuation methods. A comparison of methods based on valuation of heath in Denmark	51
<i>Clarke, Majella</i> Implementing international standards for phytosanitary measures: impacts and challenges	63
<i>Friis-Lund, Jens &amp; Helles, Finn</i> Taxation issues in Tanzanian forest decentralisation	69
<i>Friis-Lund, Jens &amp; Meilby, Henrik</i> To plant or not to plant – developing a model to analyse rural households’ tree planting behaviour	79
<i>Hartebrodt, C, Herbohn, J &amp; Herbohn, K</i> Performance measurement systems - a promising approach for the management of larger forest organizations?	87
<i>Hultåker, Oskar</i> Collective initiatives on improving work environment in Swedish mechanised forestry – A case of institutional entrepreneurship and change	95
<i>Hyttiäinen, Kari &amp; Penttinen, Markku</i> Forest owners' divestment and investment strategies	103
<i>Ingemarson, Fredrik &amp; Hugosson, Mårten</i> The temporal aspect of the counselling for small-scale forest owners after the storm in Sweden 2005	105



<i>Jensen, Anders</i>	The scramble for cash: access and access mechanisms to income from a commercial NTFP	115
<i>Jensen, Anders &amp; Meilby, Henrik</i>	The good, the bad and the ugly: income determinants and a typology of commercial agarwood harvesters in Lao PDR	121
<i>Kaimre, Paavo, Sirgmet, Risto &amp; Vather, Tarmo</i>	Promoting reforestation in Estonia	131
<i>Kärhä, Kalle</i>	Profitability of pre-clearance in first-thinning Scots pine stands	137
<i>Leppänen, Jussi &amp; Nouro, Paul</i>	Results and implications from a comparative study of Swedish and Finnish forest sectors	147
<i>Linden, Mika</i>	Modelling forest stock effects of forest investments in Finland 1960-2004	161
<i>Lund, Dorte H, Vedel Sussane E, Bredahl-Jacobsen, Jette &amp; Helles, Finn</i>	Grants for advisory services in the private Danish forestry sector – a principal-agent approach	183
<i>Lähtinen, Katja &amp; Toppinen, Anne</i>	The effects of value-added creation and cost efficiency strategies on the financial performance of Finnish medium-sized and large sawmills	185
<i>Meilby, Henrik &amp; Tarp, Peter</i>	Optimal conversion of European beech – models and preliminary results	197
<i>Michie, Bruce, Saramäki, Kaija &amp; Pussinen, Ari</i>	Locating feasible routes from kvartals to the nearest road in the Novgorod region of Russia	207
<i>Mikkilä, Mirja</i>	Acceptability of operations, corporate responsibility, sustainability, or what? - the many faces of responsibility within the global pulp and paper industry	215
<i>Mohammadi, Limaei Soleiman &amp; Lohmander, Peter</i>	A game theory approach to the Iranian forest industry raw material market	225
<i>Mustalahti, Irmeli, Tuomasjukka, Tomi &amp; Kostilainen, Anniina</i>	Towards national ownership in forestry sector development? possibilities and constraints of forestry sector support	247
<i>Pajot, Guillaume</i>	Carbon credits and the forest sector	255

<i>Price, Colin</i>	Buying certification: pigs in pokes, warm glows, and unexploded bombs	265
<i>Price, Colin &amp; Price, Martin</i>	Creaming: a fast track to continuous cover forests?	273
<i>Price, Colin</i>	Superficial citizens and sophisticated consumers: what questions do respondents to stated preference surveys really answer?	285
<i>Olsen, Carsten Smith &amp; Monty, Anita</i>	The use of a scaffolding model to increase interaction and learning in web based teaching in tropical forestry	297
<i>Olsen, Carsten Smith &amp; Helles, Finn</i>	Preliminary analysis of South Asian medicinal plant markets: can you talk to actors and use their own-reported data to estimate net marketing margins?	305
<i>Rico, Alvaro</i>	Assessing protected areas management using soft systems analysis: The case of Carrasco National Park, Bolivia	313
<i>Roos, Anders &amp; Nyrud, Anders Q</i>	Consumer research and attribute elicitation for the development of outdoor wooden decking	323
<i>Sandoval, Eduardo</i>	Minimum required rotation age for get profit in small-scale forest plantations of <i>Schizolibium parahyba</i>	337
<i>Stendahl, Matti, Roos, Anders &amp; Hugosson, Mårten</i>	Product development in the sawmilling industry - drivers, obstacles and key success factors	351
<i>Strange, Niels, Bredahl-Jacobsen, Jette, Tarp, Peter &amp; Jellesmark Thorsen, Bo</i>	Excepted coverage of endangered species on Danish heathland	363
<i>Toppinen, Anne, Tatti, Natalia, Toivonen, Riita, Mutanen, Antti &amp; Goltsev, Vadim</i>	Business environment and strategies of woodworking companies in Northwest Russia – results from a pilot study in Leningrad and Vologda regio	377
<i>Tuherm, Henn &amp; Ludvigson-rudzite, Sanita</i>	Development of forest industries in Latvia	387
<i>Tunes, Torgrim, Nyrud, Anders &amp; Eikenes, Birger</i>	Cost and performance management in the sawmilling industry	397

<i>Viitanen, Jari, Toppinen, Anne, Bahadur Magar, Surya, Michie, Bruce &amp; Nyrud, Anders</i>	
Trade flows, unit prices and roundwood market integration in northern Europe	405
<i>Yoshimoto, Atsushi</i>	
Carbon pricing through subsidy payment for thinning activities in Japan	415
<i>Yukutake, Kiyoshi &amp; Yoshimoto, Atsushi</i>	
Timber demand/supply analysis of east Asian timber trade - trade among eight Japanese regions, China, Korea	429
<i>Österberg, Peter</i>	
Creative Learning in Vida AB: A Case to describe organizational learning as a function of management style	441
Appendix A	447
Appendix B	449
Appendix C	459
Appendix D	467
Appendix E	469