

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

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. 44, 2012



Proceedings of the Biennial Meeting of the Scandinavian Society of Forest Economics Hyytiälä, Finland, May 2012

Anne Toppinen, Heimo Karppinen & Kati Kleemola (eds.)

Rising carbon flux price and the paradox of forest-induced reduction of atmospheric carbon stock

Price, C.

90 Farrar Road, Bangor, Gwynedd LL57 2DU, United Kingdom

Reasons can be given, on both supply and demand grounds, why the price of a carbon flux into or out of the atmosphere might rise through time: such predictions are now embedded in the calculations mandated by some governments. A productive forestry cycle entails both early sequestration (at low prices) and late volatilisation (at high prices) of carbon. Hence a productive cycle might be deemed "loss-making" on its carbon account, even though in every future time period its effect on atmospheric carbon stock is beneficial. While this effect might be mitigated or reversed by discounting of carbon flux values, in practice there is debate about whether such values *should* be discounted at all. In addition, arbitrary governmental rules on what kinds of carbon flux "count" can make forest utilisation which is carbon-positive within the whole materials system appear to be carbon negative, an anomaly which is exacerbated by rising carbon price.