

Risk Management in Forestry and Timberland Investing

Short Course Purpose & Objectives:

Fertilizer prices, property taxes, lumber demand and interest rates. These and other factors – such as energy prices and foreign exchange rates – affect the actual costs and expected returns of managing forests and timberland investments. This course teaches approaches for reducing risk and uncertainty associated with forest management budgets, timberland investments and procurement activities. Upon completion of this course, you should be able to:

- Identify and rank the risks associated with forest management and timberland investing activities;
- Develop a risk management plan with readily available strategies and tools; and
- Understand – and apply – futures contracts and market-based wood supply agreements to hedge price risk.

Target Audience

Forest resource professionals, timberland owners and timberland investment managers involved in the buying and selling of timber and timberland, and in the development of forest management plans and budgets.

Instructors:

- **Dr. Brooks Mendell** is Principal of Forisk Consulting
- **Dr. Tim Sydor** is Forest Economist at Forisk Consulting

Day 1 Agenda:

8:00 am	Registration
8:30 am	Introductions and Course Overview
9:00 am	How Managing Risk Creates Value
10:00 am	Break
10:15 am	Risk Identification and Analysis in Forest Business
12:00 pm	Risk Management Survey
12:15 pm	Lunch
1:00 pm	Application: Timberland Investments
1:30 pm	Risk Control and Risk Financing
2:15 pm	Break
2:30 pm	Example: Wood Procurement
3:15 pm	Futures & Options in Forestry
4:30 pm	Example: Fertilizer Costs
5:00 pm	Adjourn

Day 2 Agenda:

8:00 am	Address Unanswered Questions from Day 1
8:30 am	Financial Risk Management in the Forest Products Industry
9:30 am	Managing Risk through Markets
10:00 am	Break
10:15 am	Example: Supply Agreements
11:30 am	Example: Weather Risk
12:00 pm	Adjourn