



Standard 4: Economics and Administration of Forestry

Principle

Canada's forest resources provide a wide variety of goods and services. Utilizing forest resources requires knowledge of the principles of allocation of limited resources among competing interests and the economic, policy and administrative forces that cause change.

Relevant Components

- Competition for resources and resource values.
- Economic tools and processes (e.g. cost/benefit).
- Economic factors affecting the forest resources.
- Forest and forest use valuation.
- Forest product value-chain and markets; non-timber values.
- Global market economy; effects of international affairs.
- Market structure and influences.
- Principles of project management.
- Production, costs, demand, supply and price of resource products.
- Production management, human resources, principles of leadership and supervision, organizational characteristics.
- Regional requirements.
- Timber/wood and non-timber/wood products/processing and their uses.
- Third party certification systems.

Demonstrable Competency Requirements

A candidate for certification shall be able to:

- 1. Describe the content and importance of business and project plans.**
 - a. Explain the importance of business plans and project plans.
 - b. Identify the components of a business plan.
 - c. Prepare a project plan.
- 2. Describe risk management relative to forest resources.**
 - a. Describe the limitations, including risk and uncertainty, in managing forests and forest operations.
 - b. Perform a sensitivity analysis for a management action or strategy.
 - c. Recognize the impact of natural disturbance on the availability of forest resources.

3. Describe organizational structure and function.

- a. Discuss social, environmental and economic effects of policies and strategies that impact forestry as developed by various organizations.
- b. Describe Aboriginal peoples' interactions with relevant organizations.
- c. Describe effects of labour relations on forestry.
- d. Explain the effects of certification programs on forestry.
- e. Describe the role of government in society as a process for establishing legislation and policy.

4. Discuss business concepts that apply to a management plan.

- a. Describe the business objectives that must be considered in resource management planning.
- b. Discuss the concept of balancing environmental, social, and economical considerations in resource management planning.
- c. Identify various products produced from forests and the markets they serve.
- d. Discuss concepts of best end-use and value-added products as related to forest resources.

5. Recognize the effects of national and global trends on supply and demand, and flow of forest-based products including price and production.

- a. Describe basic principles of macroeconomics and their application to forest resources.
- b. Discuss the effects of international policies on Canada's ability to compete.
- c. Explain Canada's evolving position in global markets.
- d. Recognize full cost analysis for multiple-use where information is available.

6. Prepare and defend a basic operational plan for a project to achieve resource management objectives within available resources.

- a. Plan and implement a project with emphasis on human resources, production schedules and budgeting
- b. Explain the role of performance measures (e.g. human resources, financial, timelines and production).
- c. Defend a plan of action.