

Session 4–Scenario's

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Scenario 1

Scenario 2

Scenario 3

The Problem

- **New Inventory on 2,100 acre Tree Farm in western Washington**
- **Task is to determine value from an income approach (that is, to conduct a discounted cash flow analysis of harvest revenues).**
- **The easy stuff is a given – pricing, costs, operability, etc.**
- **It is also a given that we will use even-aged management and always cut at age 45.**
- **It is also a given that the inventory is done well and accurately.**
- **All we have to do is grow the forest.**

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Some Thoughts on how to Evaluate the Predictions

- We have a model we use
- We also have other inventory data
- Thoughts?

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Let's compare the project data with the other inventory data

- **History (previous owners and management style)**
- **Site Quality**
- **Species Mix**
- **Etc.**

Conclusion – the project and inventory data appear to be in the same population.

What if we grow the project forward and compare to the other inventory data?

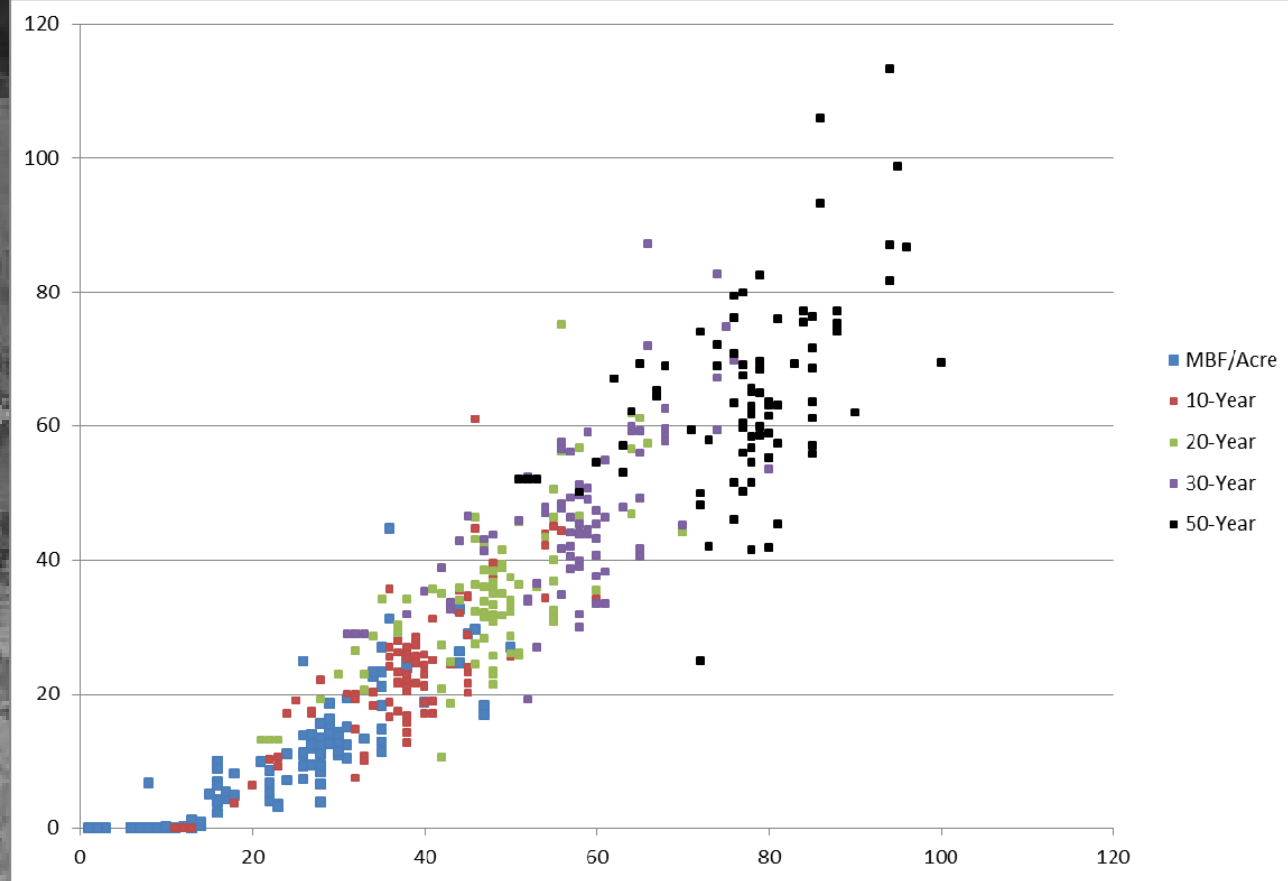
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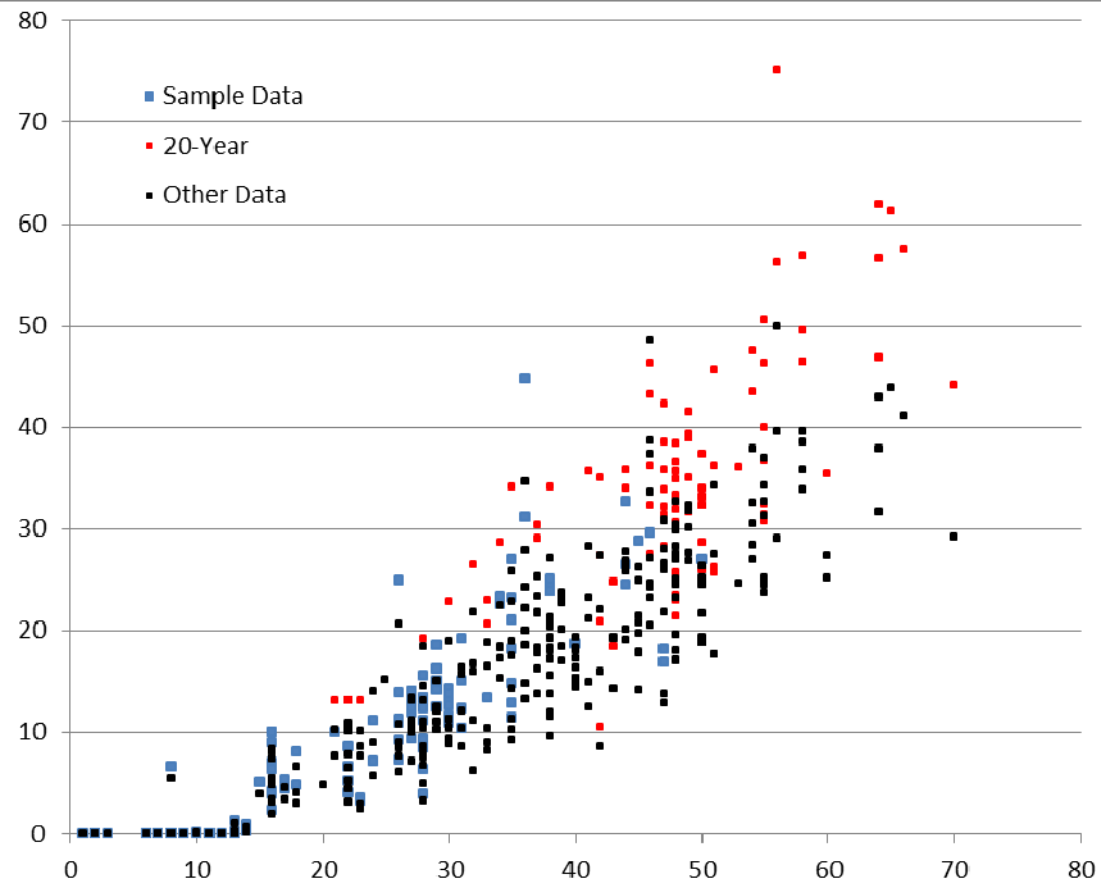
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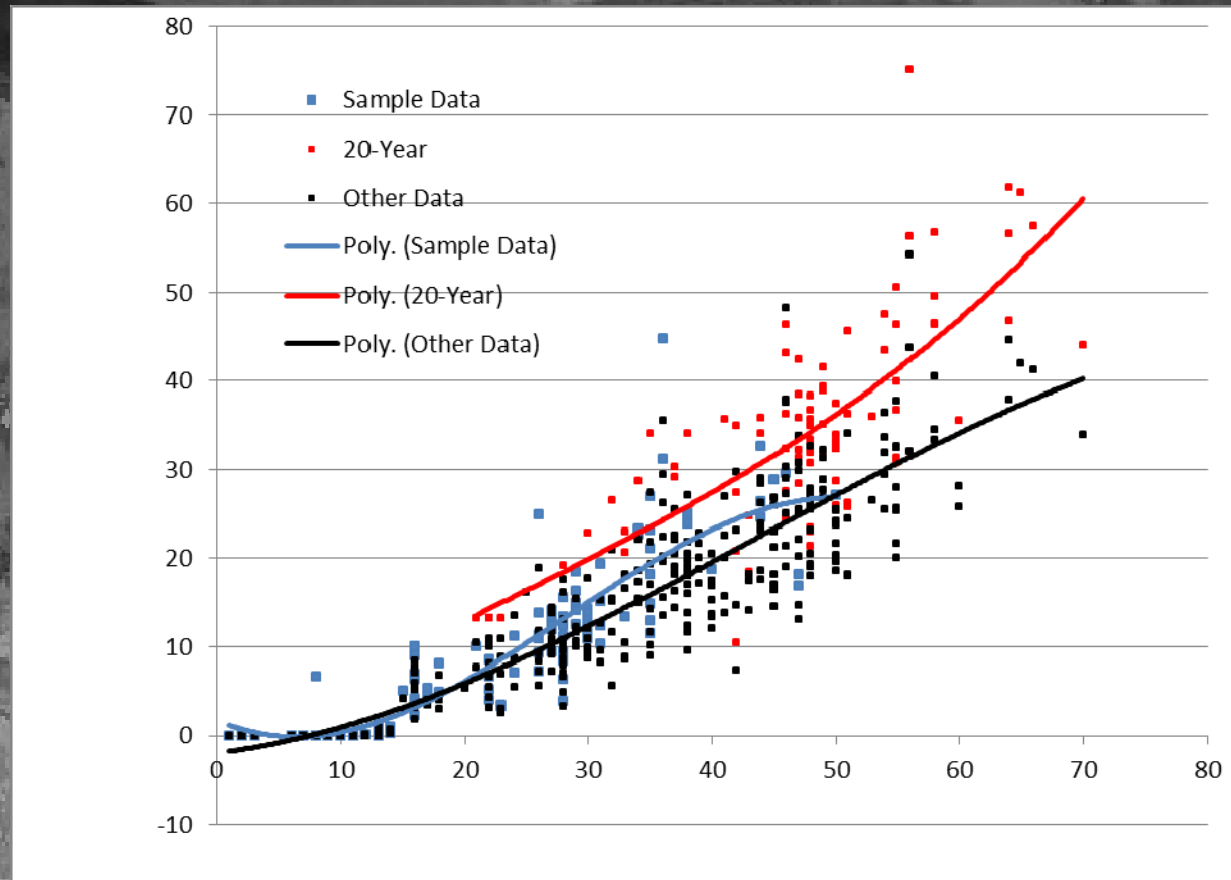
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What else should we care about?

- MBF/Acre...that's one thing
- What about the Diameter Distribution?

