

Modeling of Efficient Forestry Management in the Conditions of Lease the Forest Fund

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The main purpose of forestry production – growing forests – is achieved by different means: from forest fire fighting arrangement at a low level of economic development, to the high intensity system of activities in advantageous economic conditions. Forestry activities consist of change the direction and pace of biological processes to produce high-quality products in larger amounts, or to increase the production and consumption of forest values: safety, sanitation, etc. Therefore the applying one or another system of silvicultural activities should be due to the objectives and intensity level of farming, providing efficient production of the required amount of timber to meet the demand.

Various systems of forestry activities can be characterized by unequal total duration of the cycle of reproduction of forest resources, as well as differences in the timing of costs and produce intermediate and final effects. These differences have a significant impact on the evaluation of the effectiveness of production costs. Essential for a correct assessment of the economic efficiency of forestry production, is the accounting for changes due to the large rupture in time of the costs and benefits (timing spread effect in implementing of costs and revenues).

Based on postulates of the theory of the value, production and factors, marginal costs and income, formulated the conditions and revealed the factors of forestry production efficiency. Considered and on the hypothetical example illustrates the possibility of applying the method of the present net value for the assessment of profitability of forestry capital functioning in the conditions of the lease. And also using the indicator of net present worth as a criterion for assessment the efficiency of utilization forest fund plot for wood supply in the course of competitive selection of tenants.