



# Washington Wood Basket Study

*Carbon and Forest Management  
Work Group*

*February 14, 2024*

Evergreen Economics  
[www.evergreenecon.com](http://www.evergreenecon.com)



# Evergreen Team

**Ted Helvoigt**, President of Evergreen Economics, will serve as project manager

**Greg Latta**, Research Associate Professor of Forest Economics at the University of Idaho, will lead the forest modeling

**David Ford**, CEO of L&C Carbon, will lead the analysis of carbon markets and sequestration potential

**Indroneil Ganguly**, Associate Professor of Forest Economics at University of Washington, will lead the forest product life cycle assessment



# Scope of Work – Key Tasks

- ✓ Analyze current wood supply and potential future wood supply and demand in western Washington.
- ✓ Determine what is known about the needs of Washington's forest industry infrastructure, and what information gaps exist.
- ✓ Analyze the level of wood required to maintain existing timber industry infrastructure in Washington State.
- ✓ Attend work group meetings to understand forest management scenarios and discuss the methodology and assumptions for the regional wood supply analysis.
- ✓ Estimate likely impacts of each management scenario on Washington's regional wood supplies and rural economies.



# Analytical Approach

This project requires more than a simple computation of future timber supply or demand.

Our approach applies economic theory in a behavioral model to estimate how changes in timber supply might affect demand for timber.

- ✓ Spatial partial equilibrium model of the forest sector
- ✓ Solved over a 100-year timeframe
- ✓ Balances supply and demand (market equilibrium)
- ✓ Allows log prices and land values to change over time in response to assumptions within a baseline or alternative scenario



# “Baseline” Wood Supply Study

- ✓ Analyze the current wood supply and the potential, future wood supply and demand in western Washington.
- ✓ Considering the dynamics of the timber market, including export and import of timber into and out of Washington State.
- ✓ Determine what is known about the needs of western Washington’s forest industry infrastructure and what information gaps exist.
- ✓ Analyze the level of wood required to maintain existing timber industry infrastructure in western Washington.



# Scenario Analysis

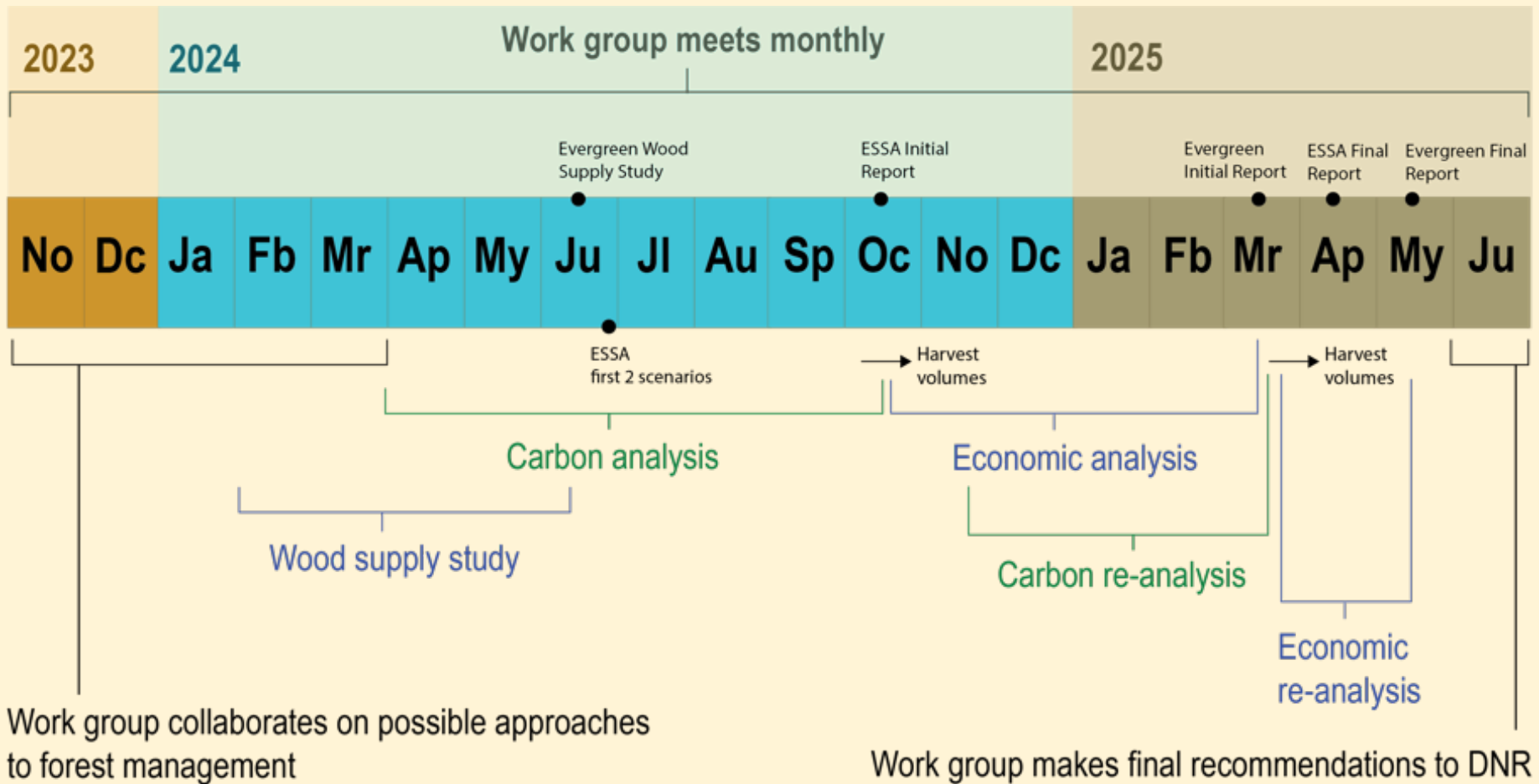
How do changes in harvests on DNR-managed lands impact the behavioral of other timberland owners and mills?

For example, constrained log supplies could result in...

- ✓ **Localized effects** as Washington mills raise their willingness to pay for logs;
- ✓ **Regional effects** as other Washington, Oregon, and Idaho landowners increase near-term harvests in response to the higher local log prices;
- ✓ **National effects** as mills in other parts of the country expand production and mill capacity and manufactured forest product prices rise; and
- ✓ **Localized effects** as Washington mill capacity contracts due to a reduced ability to compete with producers in other regions.



# Schedules – Carbon & Wood Supply



Key Dates/ESSA (initial):  
 Initial report and model results Oct. 14, 2025  
 Model re-analysis results March 11, 2025  
 Final Report April 23, 2025



# Contact Information

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