

# Ecosystem services production efficiency of longleaf pine under changing weather conditions

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## Introduction

- 1) Southern US forests forest dominate the landscape and provide critical ecosystem services:
  - 87 million hectares, 28% of total US forestlands
  - provide 2/3 of the timber harvested in the US
  - potential to sequester nearly 1/4 of the region's greenhouse gas
  - produce 34% of the water yield in the region
  - host >1,000 native terrestrial vertebrate species
- 2) The provision of these forest ecosystem services may be at risk from changing weather conditions:
  - decrease in water availability
  - increase losses in species extinction
  - increase in frequencies of fires, pests, winds
  - However, the productivity of forestlands may be benefited with higher concentrations of CO<sub>2</sub>
- 3) Forestry: a well-known example of a joint production process in which the supplies of ecosystems services are interlinked
  - e.g. planting more trees per area: more C sequestration and pulpwood production reducing the availability of water for streamflow
- 4) Analysis of the efficiency in use of natural resources provides critical information for the formulation of natural resource management and environmental policies
- 5) Efficiency: maximum amount of ecosystem services that can be produced given a combination of inputs)
- 6) We use a parametric approach to estimate the efficiency in the production of forest ecosystem services known as stochastic frontier analysis (SFA) in the Southern US
- 7) SFA from an output perspective, determines the maximum amount by which a joint-production of outputs can be expanded with a given input vector

## Objective

- 1) Assessment of the forest management on the efficiency performance in the joint production of timber, carbon sequestration, biodiversity, and water yield
- 2) We also analyze the effects of changing weather variables, age of the forests, and others on the production of ecosystem services
- 3) We select longleaf pine (*Pinus palustris* Mill) forests for our modeling context since they play a critical role in the provision of ecosystem services

## Methodology

1) SFA can be specified as follows:

$$y_{jit} = f(x_{it}, y_{it}, c_{it}; \alpha, \beta, \gamma) + v_{it} - u_{it}$$

$$u_{it} = \rho z_{it} + w_{it}$$

$y_{jit}$ :  $j$ th output, unit  $i$  (1,2,...,N) at time  $t$  (1,2,...,T)

$x_{it}, y_{it}$ : vector of  $k$  inputs and  $m$  outputs

$c_{it}$ : vector of  $l$  exogenous

$v_{it}$ :  $N(0, \sigma_v^2)$ ;  $u_{it}$ :  $N^+(\rho z_{it}, \sigma_u^2)$

$\alpha, \beta, \gamma, \rho$ : vectors of unknown parameters

$z_{it}$ : vector of variables that explains the inefficiency  $w_{it}$ :

random variable  $(0, \sigma^2)$ ;  $w_{it} \geq -\rho z_{it}$

2) We use longleaf pine plots (FIA data) in AL, FL, GA, MS, NC, and SC

3) We employ a translog function to model SFA

4) Historical (1950- 2005) temperatures and precipitation and future (RCP8.5; 2050-2100) obtained from MACA dataset

## Results

- 1) Translog functions are statistically significant (Table 1)
- 2) Most of the variation (around 90%) is attributed to differences in the efficiency to produce ecosystem services
- 3) Increased productivity of forests and tree density would reflect a decrease in the total production of ecosystem services.
- 4) Inherent tradeoffs in the concomitant production of forest ecosystem services
- 5) Joint production of ecosystem services is less efficient under private versus public owned longleaf pine forests
- 6) Forest plots with evidence of damage and silvicultural interventions tend to be more efficient
- 7) Technical efficiency is reduced by 8.9% with future weather conditions, ranging between 33.0% and 98.5%
- 8) Efficiency being reduced by 3.1% and 2.8%, respectively per 1 Celsius degree increase; however, for a 100-mm increment in precipitation, the efficiency is reduced by 7.6%

## Conclusions

- 1) SFA functional form employed is significant, indicating the presence of inefficiency in the production of ecosystem services
- 2) The technical efficiency in the concomitant production ecosystem services can be reduced on average by 8.9% with increased levels of temperatures and precipitation.
- 3) The production of certain ecosystem services may be reduced with increased forestry inputs
- 4) Silvicultural guidelines that favor the production of certain ecosystem services at the expense of others should be considered with a degree of caution.
- 5) Recognizing the production of ecosystem services as a bundle presents a challenge
- 6) Land managers and researchers must recognize the inherent tradeoffs between ecosystem services
- 7) Forest policy makers must explicitly consider landowners' objectives in the context of ecosystem services tradeoffs to develop socially-optimal forest management programs that appropriately incentivize the production of ecosystem services

Table 1. Some of the parameter estimates of the SFA model

Parameter	Variable	Scenario A -Historical		Scenario B -RCP8.5	
Dependent variable $y_1$	Rich				
<b>Stochastic frontier</b>					
		Coefficient	SE	Coefficient	SE
$\beta_0$	Constant	-0.8000*	0.0255	-0.1371	0.1277
$\beta_1$	$\ln Vol/Rich$	-0.0355*	0.0018	0.0251*	0.0055
$\beta_2$	$\ln Carbon/Rich$	-0.0953*	0.0045	-0.3845*	0.0130
$\beta_3$	$\ln Water/Rich$	-0.8654*	0.0042	-0.6076*	0.0127
$\alpha_1$	$\ln Site$	-0.0746*	0.0104	-0.0943*	0.0327
$\alpha_2$	$\ln Tree$	-0.0383*	0.0014	-0.0221*	0.0045
$\alpha_3$	$0.5 * \ln Site^2$	-0.0101	0.0373	-0.3804*	0.1010
$\alpha_4$	$0.5 * \ln Tree^2$	-0.0161*	0.0012	-0.0138*	0.0037
$\alpha_5$	$0.5 * \ln Site * \ln Tree$	0.0412*	0.0110	0.1002*	0.0348
$\alpha_6$	$t * \ln Site$	0.0023*	0.0006	-0.0023	0.0024
$\alpha_7$	$t * \ln Tree$	-0.0005*	0.0001	0.0015*	0.0004
<b>Heterogeneity</b>					
$c_1$	$Tmin$	-0.0012	0.0094	0.2009*	0.0420
$c_2$	$Tmax$	-0.0384	0.0286	0.0664	0.1209
$c_3$	$Pp$	0.8620*	0.0065	0.2419*	0.0290
$c_4$	$Age$	0.0240*	0.0044	-0.2503*	0.0123
$c_5$	$AL$	-0.0169*	0.0034	-0.1071*	0.0133
$c_6$	$FL$	0.0156*	0.0032	0.0041	0.0125
$c_7$	$GA$	0.0181*	0.0029	-0.0359*	0.0099
$c_8$	$MS$	-0.0308*	0.0039	-0.1163*	0.0153
$c_9$	$NC$	0.0031	0.0032	-0.0037	0.0110
$c_{10}$	$t$	-0.0119*	0.0034	0.0256***	0.0133
$c_{11}$	$t^2$	0.0042*	0.0011	0.0130*	0.0043
<b>Inefficiency</b>					
$\rho_0$	Constant	-4.3809*	0.1370	-4.9088*	0.2769
$\rho_1$	$Own$	0.3460*	0.0610	0.2641*	0.0770
$\rho_2$	$Treat$	-0.2736*	0.0612	-0.0327	0.0784
$\rho_3$	$Damage$	-0.1309**	0.0570	-0.0923	0.0718
$\rho_4$	$t$	0.5689*	0.0399	0.9867*	0.0715
<b>Variance parameters</b>					
$\sigma_u$		0.1777*		0.1971*	
$\sigma_v$		0.0224*		0.0687*	
	$\gamma = \sigma_u^2 / (\sigma_u^2 + \sigma_v^2)$	0.9844		0.8915	
<b>Log-Likelihood</b>		4537.431		1690.1367	
<b>Wald-Chi square test (36)</b>		699547.390*		62141.92*	
<b>No of observations</b>		2396			

\*\*\*, \*\* Significant levels at 0.01, 0.05 and 0.1, respectively.

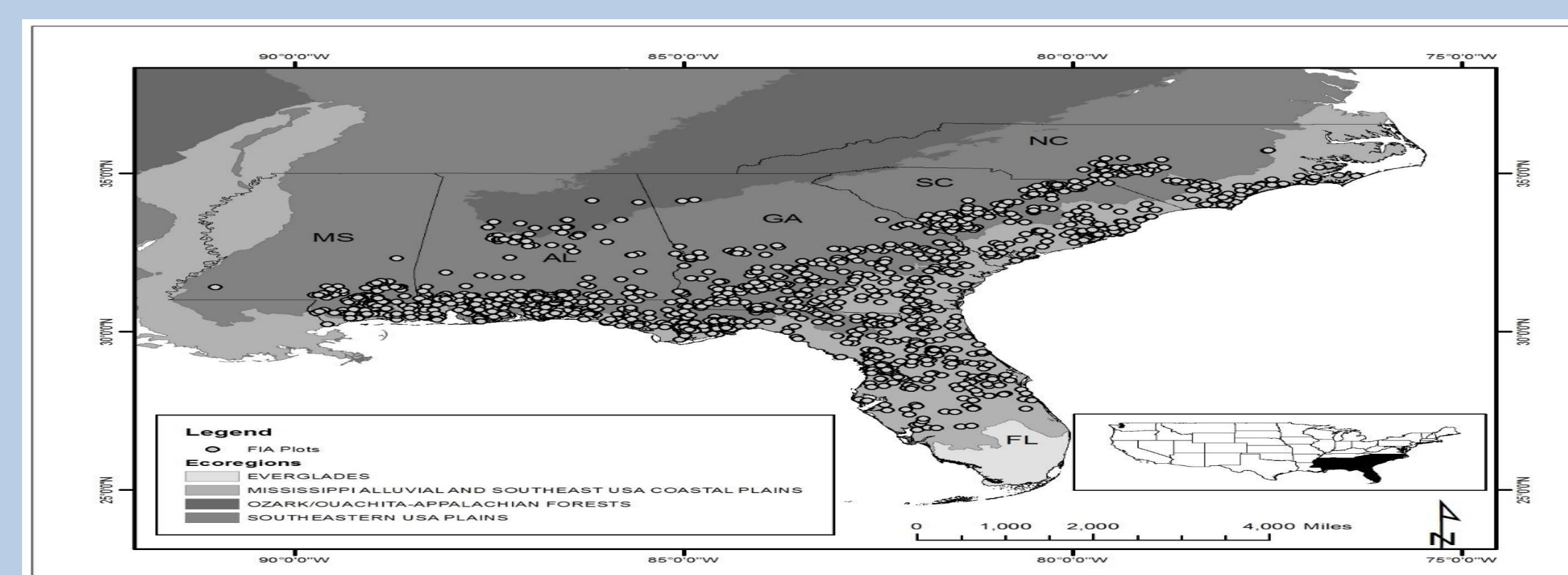


Fig. 1. Location of Forest plots

