

David Brand, Hancock Timber Resources Group. *Emerging Markets for Forest Services and implications for Rural Development, Forest Industry and Government.*

The transition from a commodity-based to a service-based economy is underway in forestry as well as other sectors. Some timber prices are declining, while the value of forests for environmental services increase in relation to disaster prevention and mitigation, protecting biodiversity, and promoting ecosystem health. Payments for environmental services, such as carbon or transpiration, can make forest investments much more attractive financially. Eventually we will conceive of forestry investments as a type of “environmental infrastructure” similar to hospitals, which derive their cash flow from a mix of products.