

Forest Enterprise Simulator app to assist emerging forestry entrepreneurs

The Forest Sector Innovation Fund (FSIF), administered by Forestry South Africa, has developed an innovative decision-making support tool for small scale forestry entrepreneurs and larger, existing timber growers.



MSc forestry students Dannyboy Seboa and Daniel Graham make use of the ForEntSim for a financial simulation in their MSc research projects.

The Forestry Enterprise Simulator (ForEntSim) was designed to assist small growers in evaluating the feasibility and profitability of forestry enterprises and activities throughout the rotation length. It is a joint initiative by the Department of Forest and Wood Science at Stellenbosch University, the Institute for Commercial Forestry Research and the Forest Economic Service.

The simulator is an open source web-based application for small growers and entrepreneurs interested in entering the industry and helps them to calculate the net present value, equivalent annual income, land expectation value and internal rate of return of one hectare of plantation based on income and costs. It provides an ex-ante simulation of enterprise ventures to test viability and capital requirements to identify potential improvements that will increase profitability.

The ForEntSim is an excellent example of how public-private partnership between the forestry industry, its research partners and the Department of Science and Technology have collectively contributed to strengthening the forest industry, nationally and abroad.

It can be accessed at www.forestsimsim.com. Interested parties are encouraged to make use of the simulator and share their ideas regarding its functionality.