

The core business of Forestry Economics Services is to produce inter-company, comparable reports for purposes of benchmarking forestry costs for fee-paying companies internationally and, in South Africa, also for family farmers. The data collected from basic financial and physical records is carefully checked and then allocated in a standardised format to the relevant benchmarking parameters. This process ensures validity of comparison, unlike reports that depend on data supplied in questionnaire form with limited or no on-site verification. Experience has shown that the variations in accounting and cost allocation procedures, coupled with varying interpretations of what comprises the many forestry activities, precludes valid comparisons unless a detailed standard analysis is conducted on each set of data.

Each participating client receives detailed cost reports of their own operations with internal comparisons against previous years. These reports highlight cost trends within the organisation before external comparisons are made. When analyses of all companies within a region or country are completed, schedules giving inter-company and inter-country comparisons are produced to identify areas of strengths and weaknesses within each company compared to other companies and other countries. Confidentiality of all client information is maintained at all times.

With the backup of the detailed analyses, Forestry Economics Services is able to offer additional services in the form of budget guidelines, business strategies and management consultations.

The aggregate area of South African commercial forestry operations analysed by Forestry Economics Services in 2009 was almost 898 thousand hectares. Benchmarking Cost and Business Reports are also produced for companies in some South American countries and Australia since 2002. The total forestry area analysed by Forestry Economics Services in these regions comprises several hundred thousand hectares.

International comparison reports use US Dollars as a common currency and are prepared with activity costs based on hectares (ha) and cubic meters (m³).