

Master of Forest Resources (MFR): The Possibilities

The MFR degree combines business and forestry knowledge to prepare individuals for a host of career options in forest business. This non-thesis graduate degree includes coursework split between Warnell, the Terry College of Business, and other disciplines. Unlike any masters degree in the country, the MFR blends graduate business courses and advanced forestry coursework. The program is integrated with UGA's Center for Forest Business, a leading knowledge center for the timberland investment and operations industry.

How much does the program cost?

For qualified and motivated individuals, the MFR provides working assistantships which cover tuition and provide a monthly stipend. Students obtain valuable work experience through assistantships, often working with Timber Mart-South, an industry renowned publication, or working on cutting edge forestry research projects. For more information on assistantship funding, see <http://www.forestry.uga.edu/grad/assistantships.php>. Full graduate student application details can be found at <http://www.forestry.uga.edu/grad/prospective-applicants.php>.

Potential Career Paths for MFR Students

Timberland Investment Management Organizations (TIMOs):

TIMOs manage large investments in timberland for pension funds, high net worth individuals, and others. TIMOs became particularly important after the Employee Retirement Income Security Act (ERISA) of 1974 provided a mandate for pension fund diversification. The timberland asset class has received increasing recognition as a critical diversifier in large investment portfolios ever since. TIMOs require employees with a masters level knowledge of finance, real estate, accounting, and forestry resulting in employment of high achievers from the MFR program.

MFR graduates often enter TIMOs as analysts. Analysts are likely to attain exposure to timberland acquisition and disposition, quarterly reporting and accounting, timber harvest scheduling and inventory analysis, market research, and other functions. In general, travel for a TIMO analyst is split between property tours and meetings with business partners. A large attraction of the TIMO lifestyle is the possibility to get outside while still being involved in investment management—a rare combination.

Real Estate Investment Trusts (REITs):

Publicly traded timber REITs (e.g. Plum Creek, Potlatch, Rayonier, and Weyerhaeuser) manage large investments in timberland similar in scale to TIMO investments. REITs manage for the benefit of shareholders invested in their publicly traded securities. The timber class of REITs is considered a liquid alternative to timberland exposure. Because shares are traded on public exchanges, investments are easily acquired and disposed of unlike direct investments in timberland or investments in TIMO funds. An MFR graduate is likely to find similar opportunities at REITs as he or she may find with a TIMO. REITs employ graduates for many business analyst functions but employ them in field capacities frequently as well. Timber REITs manage land internally as part of a vertically integrated asset management approach. This approach requires direct employment of field foresters to manage land. MFR students often spend summers interning with REITs which provides an opportunity for the student to examine and gain knowledge of the REIT timber management approach. These internships prepare students for any forest business position by providing real-world examples of turning hard assets into cash flows.

Forest Management & Industry Consulting:

Forest consulting firms provide wide-ranging forest management services for TIMOs, private investors, and forest products companies. The primary job of the forest management

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consultant is to maximize financial return for clients. The fee a landowner pays when using a forest management consultant should return increased profits and a reduction in time required from the landowner. Many landowners, especially small scale landowners, do not have well thought out plans for their property and require professional advice. The ability to advise customers and deal with wide-ranging personalities is critical. Staying well informed of changing market dynamics is critical—the consultant must stay abreast of new opportunities like conservation easements, taxation, biomass, and carbon sequestration.

Industry consulting is a different breed of consulting than forest management consulting. Industry consultants analyze markets on a subscription or ad-hoc basis. Firms like Forisk, RISI, DANA Ltd., and FEA provide forecasts and market research. These consultants may have prior experience in field forestry or forest products operations but do not practice such tasks in their current roles. The industry consultant's goal is to provide high-quality, actionable analysis of the industry.

Lending:

Many timberland transactions involve debt to enable deal consummation or to enhance returns. The lender wears many hats in the timberland investment field touching portions of land management, portfolio management, project management, and business development. The life of a lender is based around deal consummation. Usually several weeks are spent sourcing deals and developing clients. "Suits and boots" travel demands at least 50% of the year for a lender. Deal life cycles require negotiating and closing deals and managing loans through maturity.

A lender must be able to manage different personalities with different motivations. Inside the firm, the lender must be able to present deals in a concise and articulate manner to assure internal approval committees that deals are worthy of organization capital. Outside the firm, the lender must foster trust between parties to ensure continued deal flow.

Entry-level lending analysts support loan originators and spend considerable time checking financials for due diligence on potential deals. A lender should have a strong ability to converse on forestry operations. However, a straightforward ability to develop relationships and communicate is often just as important as finance, real estate, accounting, or forestry knowledge.

Conservation:

A few individuals in the MFR program may find themselves involved in for-profit or not-for-profit conservation firms. In for-profits, timberland investors often enter into conservation transactions that maximize wealth. Investment firms work with state agencies, federal agencies, and NGOs to negotiate compensation for conservation easements. Individuals must understand finance, tax laws, real estate transactions, and general natural resources science. Timberland is a great asset to blend profit and conservation motives, because land can be conserved while still offering substantial financial return.

From the non-profit side, an MFR graduate would experience similar work on a daily basis but from a different perspective. The position of a non-profit forester involves relationships above all else. They work with timberland investment firms, charitable donors, the U.S. Forest Service, the Department of Defense, land trusts, and many others. Attempting to satisfy all parties while still accomplishing the goals of the conservation group is a relational art.

Economic Development:

For some individuals in the forest business field, a more research oriented pursuit will better satisfy work interests and passions. One way to fulfill this interest outside of academia is to pursue positions in forestry sectors of economic development organizations like the United Nations, FAO, OECD, or The World Bank. Individuals in this field spend most of their time

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researching markets to create resource assessments and influence policy. Enormous amounts of time are put into collecting and analyzing information which is synthesized into reports on topics like wood procurement, energy, climate change, and ecosystem services. The state of forests and other natural resources throughout the world are often determined most reliably via the research and reporting of individuals in this capacity.

Work in this field often involves travel on an extensive scale to varying parts of the world. Travel could include anything from venturing to Asia to combat illegal logging and corruption, to Africa to develop forest products markets, and throughout South America to encourage agro-forestry. Masters degrees and PhDs are common and sometimes required given the research intensity of positions in economic development focused organizations.

Procurement:

Another avenue of employment that MFR graduates may be interested in pursuing is wood and forest products procurement. This type of position can be carried out with a variety of organizations, from wood dealers to industry positions and energy companies. The quantitative, marketing and business development skill set acquired through the MFR program is essential to this type of work, where creating valuable supply relationships are the end goal. This type of position is a great way to learn the true value of raw materials in a supply chain and how that supply chain functions throughout the industry.

Final Thoughts

The opportunities for MFR graduates are wide-ranging and the above areas are by no means all-encompassing. Graduates are also found in policy positions, academia, or even outside of the industry altogether. It should be noted that graduate education opportunities in forest business at the University of Georgia are not limited to the MFR. Past and current students also seek forest business specializations by means of M.S. and PhD. Discussion with a forest business faculty member will help to clarify the best path for prospective applicants. Regardless of the path taken, the MFR degree provides core business and forestry knowledge preparing individuals for a rewarding and challenging career.