

Financial Modelling of Smallholder Seedling Production

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ABSTRACT

A financial model of smallholder forestry seedling nursery on Leyte Island has been developed as a contribution to the ACIAR project ASEM/2006/091 – *Enhancing tree seedling supply via economic and policy changes in the Philippines nursery sector*. Two versions of this model have been developed – one for a best management practice nursery and one for a representative smallholder nursery. This paper describes the data collection, and model development and implementation. Some implications are drawn for policy development concerning adoption of best management practice in smallholder nurseries. Possibilities for further development and application of the seedling nursery model are discussed.

Keywords: financial viability, best management practice, representative smallholder nursery, scenario analysis

INTRODUCTION

The production of seedlings of timber trees is the critical first step in the timber production supply chain. In developing countries, small-scale private and community nurseries are important sources of seedlings, often coexisting with larger government and private enterprise nurseries. Experience indicates that these small-scale nurseries often produce low quality seedlings in terms of both genetic and physical condition. A collection of papers in the combined special issue of *Small-scale Forestry* 7(3) on seedling nursery systems outline various problems faced by smallholder nursery operators.

Evidence from two seedling nursery surveys conducted on Leyte Island in the Philippines indicates that private smallholder and community nurseries operate intermittently or for only a relatively short time and generally with marginal