

# Operations Research in Forestry

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## Summary

The applications of Operations Research techniques in forestry and forest industries are numerous. The most widely used mathematical models are: linear programming, integer programming, goal programming, dynamic programming, network analysis, and computer simulation. The demand for improved efficiency, combined with multiple-use requirements, and the availability of computers, will result in a continuing increase of the use of Operations Research in natural resource managerial decision-making.

## Introduction

Operations Research (OR) is the development and application of scientific optimization techniques for the management of organizations or systems. From early on, natural resource management has been recognized as an area extremely suitable for the implementation of OR. Five factors, which are common to most management problems in forestry, make it possible to use a wide range of OR solution procedures which have been developed to assist in managerial decision making.<sup>14</sup> These five factors are: a complex environment; one or more specific objectives; doubt about the best course of action; decisions constrained by limited resources; and the possibility to quantify the problems.

Each OR solution technique involves the construction of a mathematical model.<sup>24</sup> This is a set of mathematical statements that collectively describe the workings of an organization or system. Mathematical programming, a sub-discipline of OR, involves the use of these mathematical models to solve managerial decision making problems.<sup>56</sup> The specific model used in each case depends on the nature of the problem, and can be deterministic or probabilistic; analytical or numerical; linear or non-linear. This article describes a number of mathematical programming techniques and their application in forestry. It has to be emphasised that OR procedures should be used as an aid to decision making, not as a replacement of the decision maker.

### **Linear Programming (LP)**

Soon after the development of the LP technique by George Dantzig during World War II, applications were developed in the area of forest management. These range from harvest scheduling<sup>25,29</sup> and stand management<sup>17</sup> to transport planning<sup>42</sup> and planning of production in pulp and saw mills.<sup>55</sup>

The name implies the use of a linear model, both in objective function and constraints. A further four conditions have to be satisfied in order to be able to use LP: proportionality, additivity, non-negativity, and continuity.<sup>31</sup> Without discussing these conditions any further, experience has shown that these requirements do not restrict the use of the procedure, and it has become the most widely used method of all OR techniques. The basic model consists of an objective function and a set of constraints. The objective function can be either a maximization (profits, stumpage prices, timber volumes, etc.) or a minimization (costs, earth movement, time, etc.) and expresses the alternative courses of action. The constraints express the limitations on resources, such as land, labour, machines and capital. Additional constraints can be used to include such diverse conditions as equal annual cut volumes and the restriction of machine operations on certain terrain types.

Linear programming models can be constructed at any scale or precision, because computers have made it possible to solve very large problems quickly. The most important restriction on size and complexity is the capability of the modeler to visualize the complex interactions embedded in the models.

One important aspect of LP is that it not only gives an optimal solution to the model, but at the same time a wide range of sensitivity analysis information is provided. In many cases the actual solution is of less importance than the information on the influence of changes in costs and profits and the availability of limited resources on the optimal strategy.

### **Integer Programming (IP)**

One of the conditions on using the LP model is the continuity of the variables, which means that any positive value is allowed. In certain cases, however, it is necessary to restrict the values of all or some of the variables to positive integers. In these cases the LP technique cannot be used and special IP solution procedures have to be employed.<sup>26</sup>

Examples of integer variables are the number of trucks scheduled for a haulage operation, the number of fellers in a clearfell, and the number of machines available. A special type of integer variable is the 0-1 variable.<sup>15</sup> For instance, a stand can be scheduled for clearfell in a certain year or it may be retained. The 0-1 variable in the optimal solution will either have a value of 0 (retained) or 1 (scheduled). Similarly, a machine can be bought or not, a sawmill constructed or not, etc. Zero-one variables are also used

for the inclusion of spatial and chronological restrictions in models.<sup>34,57</sup> For instance, a stand cannot be replanted unless it has been clearfelled, or a road has to be built before harvesting can start.<sup>52</sup>

Because of the complexity of the solution methods for IP models, LP techniques are often used, followed by a rounding-off of the integer variables. In some cases this can lead to satisfactory results, but often, especially in the presence of 0-1 variables, this will result in sub-optimal or meaningless solutions.

### **Goal Programming (GP)**

Many decision problems in natural resource management have multiple objectives. Most public forests, for example are managed for multiple uses, such as timber production, wildlife, and outdoor recreation. A restriction of LP models is the condition that only one objective function is allowed. If the multiple objectives are in conflict with each other, one objective function cannot be formulated. In that case, GP might be the answer. GP minimizes the deviations from multiple goals, subject to constraints. This requires that both objectives and desired goal levels can be quantified, and in addition, the decision maker has to be able to rank the objectives in order of their preference. These requirements have limited the use of GP. At the same time, many applications have been developed in forest management, especially in multiple-use contexts. Examples are management of small private woodlands,<sup>51</sup> land use planning,<sup>1</sup> Christmas tree production,<sup>22</sup> and outdoor recreation planning.<sup>16</sup> The increasing demands of society on the use of forests for purposes other than timber production,<sup>28</sup> and the question of afforestation of large areas in sensitive landscapes make GP a technique which will become more attractive in the future.

### **Dynamic Programming (DP)**

Certain types of decision problems involve making a sequence of interrelated decisions in such a way that overall effectiveness is maximized. Many of these problems can be solved using LP, but in some cases the resulting models are very complex and DP techniques can mean a significant simplification. No standard mathematical formulation exists that applies to all DP problems, nor is there a standard solution procedure. Because of this, DP has not been used very widely, but a few good applications have been developed in forestry. The best known model issued for the optimal crosscutting of stems.<sup>18,43</sup> A decision made at the butt end of the stem (e.g. to cut off a 3 or 4 metre log) is obviously going to influence the possibilities further along the stem. In cases where there are many possible assortments, the optimal crosscutting of stems can mean significantly increased profits as compared with sub-optimal solutions.<sup>20</sup> Other applications of DP are in the area of stand management,<sup>5</sup> pest management,<sup>39</sup> forest road location,<sup>12</sup> and forest fire detection.<sup>41</sup>

### Network Analysis (NA)

The group of network analysis models consists of a large variety of techniques. The network can be a geometric network, such as a road system or a flow pattern in a saw mill, or an abstract network pertaining to the order of events or the flow of information within a project. Almost all NA problems can be solved using LP or IP techniques, but because of their relative simple structure, special procedures have been developed which solve the problems more efficiently.

The best known of the NA techniques are the transportation model and the shortest path model, which are used for the analysis of geometric networks, and the Critical Path Method (CPM) and Project Evaluation and Review Technique (PERT) which are used for project scheduling. The transportation problem is concerned with transporting goods or services from multiple supply centres to multiple demand centres in an optimal manner. Examples of situations where the transportation model can be used are: the minimization of earthwork transportation during forest road construction;<sup>3</sup> the transportation of timber to processing locations and the distribution of finished products to customers;<sup>9,44,45</sup> the movement of logging equipment from sites where harvesting has been completed to new sites; and the supply of seedlings from nurseries to planting sites.<sup>14</sup>

The shortest path problem deals with finding a route between two points in a network which is minimized with respect to distance, cost, time or some other appropriate quantity. Examples of the use of the shortest path model in forestry are: scheduling of logging trucks;<sup>6</sup> the planning of forest transportation networks;<sup>38,47</sup> and the analysis of forest fire behaviour.<sup>30</sup>

In addition to the transportation and the shortest path models, a large group of other techniques exist, such as the minimum spanning tree model, the maximum flow model, and a collection of procedures known as locational models, dealing with the optimal location of facilities in a network. Examples are: the location of a logging camp to serve a group of logging sites; the location of a garage to serve the roads within a network; and the location of a road network to serve a forest area.<sup>37</sup>

Both CPM and PERT deal with the scheduling of projects, where the objective is to minimize the total duration.<sup>58</sup> The major distinction between the two is that CPM is a deterministic model whereas PERT is probabilistic in nature. Both models are based on the fact that certain operations have to be completed before others can start. Examples of applications in forestry are planning and control of harvesting operations,<sup>40</sup> timber sale preparation,<sup>11</sup> forest road construction,<sup>46</sup> and sawmill modernization.<sup>32</sup>

### Computer Simulation

Simulation is frequently described as the process of duplicating the essence of a system without attaining the reality of that system.<sup>19</sup> The construction of a simulation model can take three forms: physical, symbolic,

and mathematical. Computer simulation deals with a mathematical model describing the system in terms of mathematical equations.

The main disadvantage of simulation is that unlike other OR techniques, it does not provide optimal solutions directly. Simulation is a trial-and-error (heuristic) approach to problem solving. It is an appropriate analytical approach where it is not feasible to experiment with the actual system, or when the complexity of the system prevents the use of other analytical techniques. Infeasibility can arise because of costs, risk of disrupting the system, unavailability of the system for experimentation, or non-existence of such a system. Examples of the use of simulation in forestry include: forest machinery and systems design;<sup>8,33,59</sup> harvesting and transportation systems analysis<sup>13,21,23,54</sup>; sawmill design and layout;<sup>4</sup> and policy evaluation.<sup>49</sup>

The use of simulation has a number of additional advantages. The detailed observation of the system required to construct the model can lead to improved understanding of the system, and might even remove the need for a simulation model. Also the use of simulation is a teaching device for developing skills in analysis and decision making.

### Implementation

For all of the techniques discussed above, the use of computers is essential. Small problems can be solved by hand, but the application of OR procedures to real-world problems requires large amounts of computational capacity. During the last two decades a large collection of OR routines has been developed, both for mainframe and micro computers. This includes specialized packages for natural resource management and forestry, such as Timber RAM<sup>35</sup> and LOGPLAN<sup>36</sup>. But for many applications general OR packages such as LINDO<sup>50</sup> and SAS/OR<sup>10</sup> for mainframe, and QSB<sup>7</sup> for micro, are more than adequate.

Recent developments involve the combination and integration of OR techniques and management information systems. For instance, a combination of network analysis and LP makes it possible to integrate road location and transport scheduling with harvest planning.<sup>27</sup> The integration of OR models in Geographic Information Systems makes the spatial and descriptive data bases directly available to the mathematical programming models. Research in this area focuses on forest road location<sup>37</sup> and harvest scheduling<sup>2,48</sup>

These new developments provide the decision maker in the field of forest management with the necessary tools, given the continuing demand for improved efficiency, combined with the increased implementation of multiple-use policies in natural resource management.

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