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OPTIMIZING THE METHOD OF SAWMILL BY-PRODUCT MANAGEMENT: SELECTED METHODOLOGICAL ISSUES

Abstract:

This paper presents a valuation method for sawmill by-products processed into energy. The method includes a set of indexes enabling entrepreneurs who own sawmill by-products to assess the economic viability of processing them into biofuels and energy. The indexes include: the threshold margin, maximum processing costs, maximum purchase price of by-products intended for processing, and minimum sales price of the product acceptable to the producer. A multidimensional analysis of above indexes was performed, and may provide a basis for assessing the economic viability of various methods of wood by-product management as an alternative to selling by-products in an unprocessed condition. As regards energy production, the method takes into account both the use of energy for own purposes and sale of energy to external customers.

Keywords:

renewable energy, sawmill by-products, index-based analysis

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