

# Literature Review

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## Literature Review

### Ver Plank et al (2017): Hierarchical Bayesian models for small area estimation of forest variables using LiDAR

This paper proposes three Hierarchical Bayesian (HB) models for small area estimation (SAE) of above ground biomass (AGB). These models are the Fay-Herriot (FH), Fay-Herriot with conditional autoregressive random effects (FHCAR), and FHCAR with smoothed sampling variance. They first introduce the FH model which is defined as:

$$Y_i = \theta_i + \epsilon_i \theta_i = x_i \beta + v_i$$

where  $\theta_i$  is the mean AGB,  $\epsilon_i \sim N(0, \sigma_\epsilon^2)$ , the  $x_i$  is a  $(p \times 1)$  matrix,  $\beta$  is the  $(p \times 1)$  matrix of regression coefficients, and  $v_i \sim N(0, \sigma_v^2)$ . Note:  $1 \leq i \leq m$  where we are indexing over forest stands.

The FHCAR model is very similar, except for the fact that it adds a spatially structured random effect that follows a conditional autoregressive (CAR) prior distribution which allows the authors to take advantage of the spatial autocorrelation seen in the data (stands close together have similar AGB values). For this model, they specify:

$$v = (v_1, \dots, v_m) \sim N(0, \Sigma(\sigma_v^2, \lambda))$$

where  $\lambda$  is the autocorrelation parameter. They also specify the definition of the covariance matrix:

$$\Sigma(\sigma_v^2, \lambda) = \sigma_v^2 [\lambda R + (1 - \lambda)I]^{-1}$$

The third model they specify is again similar to the first two, but with more: they want to be able to reduce instability in variance estimates in small sample sizes and so instead of saying that we have a fixed and known sampling variance (which is common practice), they specify the FHCAR-SMOOTH model where they define the following:

$$\tilde{\sigma}_i^2 = \frac{V_e}{n_i} V_e = \frac{\sum_{i=1}^m a_i \sigma_i^2}{\sum_{i=1}^m a_i}$$

where  $n_i$  is the number of variable radius plots in stand  $i$ .

After the authors introduce these three models, they discuss the priors used in their analysis. They use flat priors for all  $\beta$ 's,  $\sigma_v^2 \sim InvGamma(\text{shape} = 2, \text{scale} = \sum_{i=1}^m \sigma_i^2 / m)$ , and  $\lambda \sim Unif(0, 1)$ . To sample from the posterior for  $\theta$ ,  $\beta$ , and  $\sigma_v^2$  the authors used the Gibbs sampler, and for  $\lambda$  they used the Metropolis-Hastings algorithm.

After running their models, they compared their results to Breidenbach et al. (2016) and Mauro et al. (2016) and those author's frequentist results. The HB models had higher  $\sigma_v^2$  which allows for more realistic inference dealing with the uncertainty associated with estimating above ground biomass.

### Breidenbach 2012 (Frequentist methods)

This study's goal is the measure mean forest biomass in a forest of Vestfold County, Norway. The authors compared simple random sampling, generalized regression, and EBLUP estimators.