



Making Family Forest Certification Work

The Center for Forest and Wood Certification's programs for developing certified supply chains.

by Jeff Stringer*



Forest certification works best for family forest owners when both loggers that are certified to purchase, cut, and haul certified timber and certified forest industries are present to provide local markets for certified timber and pulp-wood.

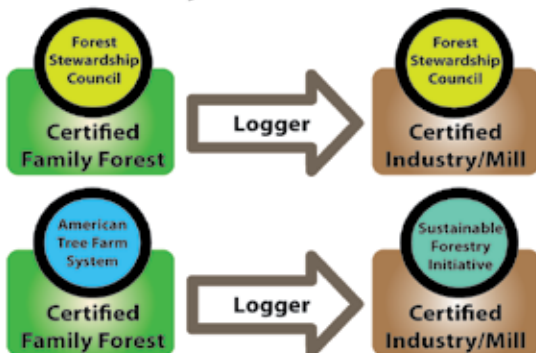
Forest certification confers advantages to forest owners and the option of group certification keeps the cost of certification affordable for woodland (family forest) owners. While group certification helps keep costs low there is the question of how family forest owners benefit from certification. Family forest owners who become certified through either the American Tree Farm System (ATFS) or the Forest Stewardship Council (FSC), the two largest forest management certifications in the U.S. for family forests, are provided increased professional assistance. This is certainly a benefit for many.

However, many family forest owners are also interested in monetary returns for their certification efforts. While there may be the opportunity to participate in carbon markets or other ecosystem services like clean water, these opportunities are not common and certainly not widely available to all family forest owners. For most, the opportunity to obtain revenue from certification comes

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Certification Requirements for Family Forest Supply Chains

Forest Industry Purchases Timber



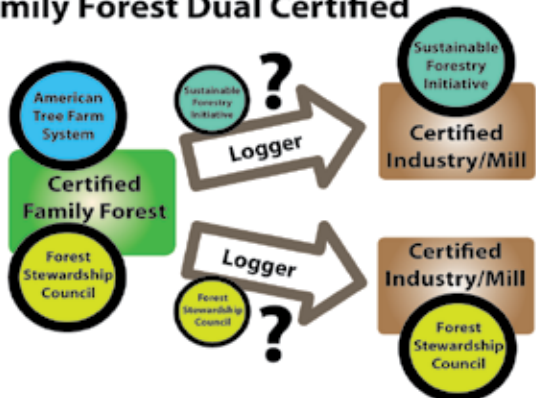
In this case the logging is contracted and the logger does not need to be certified. The SFI certified mill can accept timber from the family forest that is American Tree Farm certified.

Logger Purchases Timber



The logger is required to be certified since they have purchased the timber. The logger must carry the same type of certification as the mill that is purchasing the timber.

Family Forest Dual Certified



The family forest is dual certified and can supply certified timber to either an FSC or SFI certified mill. If the timber is purchased by the mill then the logger does not need to be certified. If the logger purchases the timber then the logger needs to carry the same certification as the mill.

from the sale of certified timber including logs, pulpwood—and potentially—biomass. However, to make this happen there has to be a number of elements in place to provide premiums for certified timber. The Center for Forest and Wood Certification was established to develop and put in place all the elements needed for family forest owners to benefit from certification. This article provides information on certified timber and how the Center works in the eastern U.S. to bring together industries, loggers and woodland owners, so that everyone can benefit from the timber grown on certified family forests.

Family Forests Role in Supplying Certified Timber

While most family forest owners don't think of themselves as being a part of a supply chain, forest industries do, and if family forest owners wish to benefit financially from certification, thinking in terms of a supply chain is beneficial. The supply chain for certified wood and paper products requires that all owners along the supply chain be certified. This includes forest owners, loggers (if they purchase timber), and forest industry. For family forest owners to get maximum benefit from their certified timber there has to be a market demand for their type of certified timber and all the elements, including certified loggers and industries, must be available. Here is how this works.

Many woodlands have a range of timber products growing on them including veneer logs, sawlogs for lumber production and other wood products, pulpwood, and other potential products such as biomass. Obtaining premium prices for certified timber requires that certified markets exist for the types of product you have in your woodlands. The demand for certified wood products varies significantly from region to region, hinging on the presence of certified industries that procure in your area. Industries including pulp and paper mills, sawmills and veneer mills interested in buying certified roundwood (both pulpwood and sawlogs) and potentially biomass will be certified themselves, typically through the Sustainable Forestry Initiative (SFI) or FSC, or both. This type of certification is called chain-of-custody certification and it allows these industries to produce wood or paper products that have a certified label or claim. Chain-of-custody and forest management, termed FM certification, are linked. Industries with chain-of-custody certification must acquire some or all of their logs or pulpwood from certified forests to produce certified wood or paper products. Industries with FSC certification must procure FSC grown timber. However, industries with SFI certification are allowed to purchase ATFS grown timber to meet their SFI requirements because of the standards for forest management of ATFS and the industry based SFI forest management system are very similar. It is important to note that family forests can be both FSC and ATFS certified at the same time—often referred to as “dual certification.” This allows family forests to take advantage of whichever markets are the most attractive.

The value of industries maintaining SFI or FSC certification is that they have customers who want certified wood, wood products, or paper. Both SFI and FSC offer industries different types of claims or labels for their certified wood products and paper. For example both SFI and FSC provide a label that indicates that 100 percent of the wood that is in the product was produced from certified forests. Both SFI and FSC also provide “mixed” labels where only a percentage of the timber that goes into the product has to be certified. Regardless, sawmills, pulp and paper mills, and other industries that are certified, are looking to purchase sources of timber from ATFS or FSC certified forests. The type of certified timber they are

looking for depends upon what their customers want. The premiums that family forest owners can get from their certified timber are based on the type of certification that the forest owner has and the demand for that type of certified timber by the industries that buy from their area. It is basic supply and demand, in this case focusing on certification. To provide for sustainable certification the supply (certified forests) must grow in concert with the demand (certified industries). The supply and demand aspect of certification will determine price premiums available to a family forest owner. The Center for Forest and Wood Certification (Center) works to assist with strategic certification development for forests, loggers, and industry in a manner that is conducive to producing a sustainable market for certified timber. The Center provides both chain-of-custody certificates and assistance to forest industry and loggers as well as assisting family forest owners.

Family Forest Certification

The Center assists family forest owners in two ways. First, it provides a Forest Management Group that family forest owners can join to become FSC and ATFS certified. The second way in which the Center helps family forest owners is by providing assistance for any organization, business, or agency wishing to develop a forest management group. The Center does the latter because it recognizes the value of locally managed groups.

The Center maintains a forest management group for family forest owners that dual certifies family forests in both FSC and ATFS. This allows family forests maximum flexibility in reaping benefits from forest industries. Further, the Center provides family forest owners assistance with certification through Cooperating Foresters, typically consulting

and industry foresters who are trained to manage certified forest lands. The Center not only links family forest owners and cooperating foresters but can help make connections with industries that have a demand for certified timber. This coordination is designed to develop efficient supply chains and to provide the framework where certification costs can be distributed along the supply chain. The latter is important.

If an industry is in need of certified timber it may be willing to help incentivize the certification of family forests. They can do this in different ways, including directly offsetting the cost of certification for family forest owners and/or through providing a premium for certified timber. The amount of incentives they can provide is based on how much the mills benefit by selling certified products and how much supply of certified timber there is available. The Center does not get directly involved in what the incentives are or how much they are worth. The Center does however, work to develop all the elements in the supply chain to help provide the maximum number of incentives for a given demand situation to develop.

The Center provides group certificates for ATFS and FSC dual certification for family forest owners at a very affordable rate (annual fees of \$40 for family forest owners with fewer than 500 acres). Further, the Center trains foresters to manage certified forests through the Center's Cooperating Forester program. The Center also provides group certification for FSC and SFI for small forest industries and technical assistance if needed to large industries to help them obtain their own certificates. And finally the Center maintains certification for loggers. This designation allows loggers to purchase, cut and haul certified timber. Working with all the elements in the supply chain including family forest owners, loggers, and forest industries allows the Center to coordinate these



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efforts to ensure that family forest owners are able to sustain certification through the sale both in the short and long term of certified timber.

The second way that the Center helps family forest owners with certification is through its Building Program. The Program helps organizations, agencies or businesses become group managers with their own certificate for family forests with little initial risk. For example, if a consulting forester, non-profit organization, forest or industry association—or even state agency—wishes to start a group for forest management, the Group Building Program works with potential group managers to get the group started.

Here is how the program works: The potential group manager will normally have a list of family forest owners who are interested in certification. These owners become members of the Center's Forest Management Group, which confers FSC and ATFS certification to them. Over the course of the next year, the Center assists the potential group manager in developing the administrative framework needed to start the group. The Center provides technical assistance, examples of policy and procedures and operations manuals as needed to help the potential group manager. Further, the potential group manager will start auditing the group to gain experience and determine costs associated with conducting audits. This year of assistance allows the potential group manager to become familiar with all phases and costs of group management. Once everything is in place, he or she applies for an individual certificate and the Center transfers the members to the newly established forest management group. The Center works out a financial arrangement with the potential group manager that is workable and facilitates the development of the group. The Center also takes on the responsibility of

carrying the certification for the first year, allowing family forest owners to start selling certified timber and everyone involved to become familiar with their responsibilities either being a member of a group or managing the group.

The Center's approach to certification provides a workable template or model for those interested in establishing similar sustainable certification programs. The coordinated development of all the elements of a certified supply chain is important. Provisions need to be made to ensure that the family forest certification matches the demand for certified timber in their region. Further, everyone who owns the trees, timber (logs, pulpwood, or biomass), or wood products must be certified. This obviously includes family forest owners as well as forest industries and may need to include loggers in situations where the logger is purchasing the timber from the forest owners. The latter includes situations where the logger purchases timber lump sum, by the unit, or cuts and hauls by a percentage or what is sometimes called "cutting on the shares."

In summary, the Center for Forest and Wood Certification is a partnership venture between non-profits, industry, consultants and university personnel to provide opportunities and solutions associated with forest and wood certification. Ultimately the Center exists to provide a market incentive for improved forest management and to provide opportunities for forest owners of all sizes as well as industry to benefit from certification. More information on the Center and forest and wood certification in general can be obtained at forestcertificationcenter.org, or by contacting the Center through email at info@forestcertificationcenter.org, or toll free (855) 579-2690.



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