

INNOVATIONS IN FAMILY FOREST CERTIFICATION WHAT'S HAPPENING & WHAT'S NEEDED

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Introduction

Certification has increasingly become common practice for owners and managers of large forest holdings. Industrial interests, state and county land management agencies, forest license holders, land trusts, and even TIMOs¹ and REITs² in North America are participating in forest certification programs. However, even as certification on these large ownerships continues to expand, a cost effective certification solution for small landowners in the United States continues to be elusive. A previous Dovetail Report explored the specifics of both the Forest Stewardship Council (FSC) and American Tree Farm System (ATFS) programs and their relevance to small forest ownerships³. This current report on *Innovations in Family Forest Certification* provides information about recent research related to the certification of family forestlands in the United States, efforts being made by the ATFS and FSC programs to improve access to certification for small ownerships, and some key barriers and areas where continued effort is needed.

Research

There have been several recent studies that explored opportunities for family forest certification and also surveyed landowners to gain a better understanding of their interests and motivations and the potential barriers. Four of those studies are discussed briefly below.

Evaluation of the Forest Stewardship Program

The Forest Stewardship Program, overseen by the USDA Forest Service, provides education and technical assistance to private woodland owners and supports the development of “forest stewardship plans”. The program operates through partnerships between the Forest Service and state and local organizations. The partnering organizations agree to program guidelines including the format for the Forest Stewardship Plans, record keeping and reporting requirements. The Program has resulted in the development of more than 240,000 management plans that cover more than 27 million acres⁴.

¹ Timber Investment Management Organizations (TIMOs): Private companies acting as investment managers for institutional clients, primarily pension funds, endowments and wealthy individuals. Timberlands are owned as illiquid direct investments or partnership shares, generally in separate accounts, but frequently in pooled funds. Examples include The Campbell Group, The Hancock Timber Resource Group and Forest Capital Partners.

² Real Estate Investment Trusts (REITs): Companies focusing mostly or exclusively on timberland ownership with a high degree of liquidity through the public trading of shares on a stock exchange. Examples include Rayonier, Plum Creek and Potlatch.

³ Dovetail Partners. 2004. “Family Forests, Tree Farm, and FSC” Available at: <http://www.dovetailinc.org/DovetailFamilyForests.html>

⁴ <http://forestry.nacdn.net/forestrynotes/Dec05/FSP-SpecialReport.htm>

To gain an understanding of how the Forest Stewardship Program may or may not align with forest certification programs, the Forest Service commissioned a study by the Pinchot Institute for Conservation. Completed in August 2005, this study compared the Program's guidelines with four models of sustainable forestry for private woodlands. The four models evaluated in the study were the American Tree Farm System (ATFS), Forest Stewardship Council (FSC), Green Tag Forestry, and the National Association of State Foresters' Principles and Guides for a Well-managed Forest.

The study revealed that several issues included in the forest certification and forest sustainability models are not addressed in the Forest Stewardship Program guidelines. These issues are the protection of special sites, the use of chemicals, training of contractors, and worker safety and health. The study also concluded that the American Tree Farm System (ATFS) standards "present the easiest match" with Forest Stewardship Program guidelines. The report recommended changes in the Forest Stewardship Program to add monitoring of the Program's outcomes and impacts and to strengthen the documentation of benefits and stewardship activities.

The complete report, "A Comparison of Guidelines for the Forest Stewardship Program and Other Standards of Sustainable Forest Management" prepared by the Pinchot Institute for Conservation on the behalf of the USDA Forest Service and released in August, 2005 is available at: http://www.fs.fed.us/spf/coop/library/fsp_certification_crosswalk.pdf

Landowner Surveys in Minnesota & Tennessee

Surveys of family forest landowners were recently conducted in both Minnesota and Tennessee to gauge interests and concerns related to certification. The two studies had distinctly different goals and results. The study in Minnesota attempted to learn more about the landowners' level of awareness of certification and what type of certification program design would potentially have the greatest rate of participation. The study in Tennessee focused on identifying the characteristics of landowners who expressed interest in certification and specific potential benefits. Both studies found that landowners have a range of stewardship interests and their participation in certification would be increased if the benefits of certification included improved wildlife habitat and better forest management. These studies build on previous research in Louisiana in 2000⁵ and in Alabama in 2003⁶.

A study by the University of Minnesota of non-industrial private forest (NIPF) owners in the state was completed in October 2005. Some 53 percent of survey respondents had never heard of certification, and 27 percent described their understanding as "minimal," while only 3 percent indicated that they had an extensive understanding of forest certification. The survey also found that landowners view the top three potential benefits of certification as improved wildlife habitat, increased timber growth, and

⁵ Vlosky, R.P. (2000) *Certification: Perceptions of Non-Industrial Private Forestland Owners in Louisiana*. Working Paper No. 41, Louisiana Forest Products Laboratory, Louisiana State University Agricultural Center, Baton Rouge, Louisiana.

⁶ Newson, Deanna, *et al.* (2003) *Forest Certification in the Heart of Dixie: a Survey of Alabama Landowners*. http://www.yale.edu/forestcertification/pdfs/2002/02_teetercash_rtifica_27.pdf

environmentally sound logging. Concerns about certification include potential loss of control over selection of a logger (72%) and in deciding the type of harvesting to be used (67%). Although few were familiar with certification at the time of initial contact, over three-fourths of survey respondents, who learned a bit about certification in the course of completing survey forms, indicated that they were persuadable in terms of willingness to have their forest land certified.

However, only 4 percent stated they were very likely to have their forestland certified and 20 percent indicated they would never want to have their forest land certified. Given a hypothetical situation of a certification program that paid landowners \$3-4 per acre per year, required a forest management plan, adherence to logging guidelines, and periodic site inspections, 62 percent of the landowners surveyed said they would participate.

The entirety of the Minnesota Study "Developing a Certification Framework for Minnesota's Family Forests," prepared by the University of Minnesota on the behalf of the Blandin Foundation and released in October 2005, is available at:
http://www.blandinfoundation.org/html/documents/Kilgore_Research_Report_FINAL_10_07_05.pdf

A University of Tennessee study was completed in 2005 with a goal of answering the question "who will consider certifying forestland and why?" This study gathered information about what aspects of certification or potential benefits were most appealing to landowners and their level of interest in having their forests certified.

The Tennessee study results found that 81 percent of responding landowners indicated a willingness to consider certification. The landowners who were most likely to consider certification were well-educated, new forest owners, and had received advice or information about their forestland. The landowners indicated both utilitarian and environmental reasons for interest in

Researchers to study forest certification

LSU AgCenter and Mississippi State University researchers are starting a project to measure how well non-industrial private forest landowners understand certification programs.

"We want to know about their awareness, understanding and perceptions of certification," said Richard Vlosky, director of the Louisiana Forest Products Development Center in the LSU AgCenter.

Vlosky and the other researchers, Michael Dunn, an economist with the LSU AgCenter, and Glenn Hughes, an extension professor of forestry at Mississippi State University, also will identify current and potential future certification systems and products acceptable to major home retail centers.

The results of the survey will provide the background needed for developing a Web site and handbook, Vlosky said.

The two-year project will survey the 500 largest home centers in the United States as well as 1,300 private landowners in each state to determine knowledge and willingness to participate in certification.

Vlosky said private non-industrial landowners often are confused about certification programs they're asked to participate in. "This has implications for landowners," he said.

Louisiana has about 144,000 private, nonindustrial forest landowners. They own most of the forest land in the state, Vlosky said.

The \$102,000 research project is funded by a grant from the Southern Region Sustainable Agricultural Research and Education.

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<http://www.louisianahouse.org/en/communications/publications/agmag/Archive/2005/Summer/Researchers+to+study+forest+certification.htm>

certification and reported that they would most trust the State Division of Forestry and consulting foresters to administer a certification program. Reasons identified for considering certification included interest in a healthier forest, improved wildlife habitat, and the potential for saving money by avoiding future regulations. Potential benefits of certification were perceived to be improved forest management, increased tree farming profits, satisfying consumers, less regulation, recognition of good forestry practices, and the ability to compete in international markets.

The entirety of the Tennessee Study "Forest Certification and Nonindustrial Private Forest Landowners: Who Will Consider Certifying and Why?" prepared by the University of Tennessee has not been released. The lead author is David Mercker, Extension Forester, University of Tennessee, 605 Airways Blvd., Jackson TN 38301, 731-425-4703, dmercker@utk.edu

Additional studies are also currently underway in Mississippi and Louisiana (see side bar) and follow up research is being done in Minnesota.

PEFC Study in Oregon

The Oregon Department of Forestry (ODF) recently contracted with the Pinchot Institute for Conservation to complete a study of the alignment between existing forestry practices and regulations in Oregon and the requirements of the Programme for the Endorsement of Forest Certification schemes (PEFC). The final report was released in April 2006.

The Programme for the Endorsement of Forest Certification schemes (PEFC) allows for the development of regional or national certification programs that can then apply to PEFC for review of their adequacy in meeting what PEFC has defined as international minimum guidelines for forest certification schemes. This mutual recognition system is intended to allow for local flexibility in setting certification standards while still providing an international mechanism for marketplace recognition and acceptance of endorsed programs. The PEFC system has been most widely applied in Europe but has expanded in recent years, including the endorsement of a forest certification system in Canada and the Sustainable Forestry Initiative (SFI) in the United States. Additional information about PEFC is available in a Dovetail Report dated November 2004⁷.

The study in Oregon sought to determine whether existing forest regulations and programs in the state could provide the basis for a forest certification system and if such a system might also be eligible for PEFC endorsement. The study identifies the requirements of PEFC endorsement and the actions and governance mechanisms needed if an Oregon Certification Program were to be developed. The study found that in order to develop a PEFC compatible certification scheme, several structures would need to be established including a standards setting body and standard setting procedures, a certification standard for eligible landowners that would encompass or address the forty-five indicators set out in the Pan European Operational Level Guidelines (PEOLG), verification procedures and qualifications including accreditation for auditors, label and

⁷ Dovetail Partners. 2004. "Beginner's Guide to Third-Party Forest Certification: Shining a Light on the Programme for the Endorsement of Forest Certification schemes (PEFC)" <http://www.dovetailinc.org/DovetailPEFCReport.html>

logo use rules, and a dispute and appeals process. The study also provides four suggested options as a result of the findings. These options include: no-action, development of a landowner assistance program to improve access to existing certification schemes, development of a PEFC compatible system just for family forest landowners in Oregon, or development of a PEFC endorsed scheme for all Oregon landowners.

The entirety of the study "Oregon Forestlands and the Programme for the Endorsement of Forest Certification (PEFC): An Assessment of the Process & Basis for Eligibility" prepared by the Pinchot Institute for Conservation on the behalf of the Oregon Department of Forestry and released in April 2006 is available at:

http://egov.oregon.gov/ODF/RESOURCE_PLANNING/docs/PEFC_Study.pdf

Expanding Access: Certification Program Changes and Efforts

The American Tree Farm System (ATFS) and the Forest Stewardship Council (FSC) represent the largest and most widely applied certification programs for private woodland owners in the United States. These two programs have made changes and continue efforts to expand access to their programs for private woodland owners.

American Tree Farm System

Recent developments with the American Tree Farm System (ATFS) include the use of the ATFS Group Certification program at a statewide scale and the potential for mutual recognition of the ATFS program by PEFC. For more detailed background information on ATFS, please see the previously referenced Dovetail Report³.

ATFS Group Certification

Group certification is a mechanism that allows a number of individual landowners to come together and share the costs and responsibilities of certification. By forming a group, landowners can reduce their individual burdens, but group entities are subject to additional certification record keeping and reporting requirements. These responsibilities are distributed between landowners participating in the group certificate who are "group members" and the entity that holds the certificate, the "group manager". Both the ATFS and FSC certification programs offer a group certification alternative to individual certificates.

The American Tree Farm System (ATFS) established its group certification program in 2002 and has since certified 9 groups representing about 3.5 million acres. The largest of these groups is administered by the Wisconsin Department of Natural Resources (WDNR) and includes about 29,000 landowners with a collective land base of about 2 million acres⁸. These landowners are enrollees in Wisconsin's Managed Forest Law (MFL), a program that provides reductions in property taxes for woodland owners who make a long-term commitment to a written forest management plan. Establishment of this group certificate in May 2005 represented the first time a statewide program for private woodland owners in the United States achieved third-party certification. The

⁸ <http://www.dnr.state.wi.us/ORG/LAND/Forestry/certification/mfl.html>

Indiana Department of Natural Resources is currently pursuing Tree Farm Group Certification for landowners enrolled in their Classified Forest Program⁹, which includes more than 400,000 acres. The Minnesota Department of Natural Resources is exploring the potential for group certification through the ATFS and/or the FSC for landowners participating in the state's Sustainable Forestry Incentives Act¹⁰ (SFIA) and the Forest Stewardship Program¹¹.

Mutual Recognition

The American Tree Farm System (ATFS) is currently operational only in the United States. To create opportunities for international market recognition of its program, the ATFS has been active in efforts to achieve mutual recognition. The ATFS has had a mutual recognition agreement with the Sustainable Forestry Initiative (SFI) since 2000¹². This agreement recognizes the appropriateness of ATFS for small ownerships and the compatible application of the SFI system on larger ownerships. Also, related to marketplace recognition, wood harvested from Group Certified Tree Farm lands is recognized by Time, Inc. as certified content¹³.

The ATFS is also a member of the PEFC Council, and it is anticipated that ATFS will pursue PEFC endorsement with an application likely submitted before the end of 2006. The ATFS is currently completing a gap analysis to prepare for a PEFC application. As described previously in reference to the study in Oregon, successful PEFC endorsement may require changes to the ATFS's governance structure and standard. In 2002, the American Forest Foundation (AFF), the sponsor of the ATFS, amended their bylaws to separate their standard setting and accreditation functions. This amendment may help align ATFS better with PEFC and other international standard setting requirements. The ATFS has also made changes to their public consultation process, auditor qualifications, and training requirements that may improve PEFC compatibility.

Forest Stewardship Council

Current efforts by the Forest Stewardship Council (FSC) to improve access to certification for family forest owners include recommendations for the development of standards appropriate to the scale and management intensity of small properties and potential changes in the FSC chain-of-custody requirements. These recent efforts build on previous work by the FSC to engage small landowners. The FSC initiated group certification in the late 1990s, following the lead of the FSC-accredited Rainforest Alliance and their SmartWood program's Resource Manager Certification model that was pioneered in 1995. The FSC also set up a special program in 2001, the Small and/or Low Intensity Managed Forests¹⁴ (SLIMFs) initiative, to review requirements throughout the

⁹ <http://www.in.gov/dnr/forestry/index.html?http://www.in.gov/dnr/forestry/privateland/clasfor.htm&2>

¹⁰

http://www.taxes.state.mn.us/property/publications/fact_sheets/html_content/sust_forest_fact_sheet.shtml

¹¹ <http://www.dnr.state.mn.us/grants/forestmgmt/stewardship.html>

¹² <http://www.sfcw.org/mutualrecognition/ATFS-release-sfi-mr.htm>

¹³ http://www.affoundation.org/cms/test/38_46.html

¹⁴ <http://www.fsc.org/slimf/>

FSC system and recommend changes that would improve accessibility for small and/or low intensity managed forests, including family forest ownerships in the United States.

A 2004 Dovetail report¹⁵ provides more detailed background information on FSC and the previously referenced Dovetail report on family forest certification³ provides background on the FSC's SLIMFs initiative and the FSC group certification program.

FSC-US and Georgia-Pacific Corp. Field Test Partnership Project

Initiated in 2004 and with the final report released in November 2005, the Forest Stewardship Council's U.S. office (FSC-US) completed a project in partnership with Georgia-Pacific Corp. to help inform both organizations about certification needs and opportunities for family forest landowners in the United States. The test project sampled clients of Georgia-Pacific's Forest Management Assistance Program (FMAP) in relation to three areas of interest: determining benefits or impacts of the FSC's Family Forest Program on access to FSC for small landowners; evaluating the application of FSC's Controlled Wood Standard on non-FSC certified and family forest lands; and implementation of the FSC Plantations Principle on family forestlands. Six properties in Southern Mississippi were visited in the summer of 2005. The properties ranged from 50 to 500 acres in size.

The technical team for the project came up with key recommendations for improving access to FSC certification for family forest owners. Several of these recommendations related to changes to the regional certification standard to allow greater streamlining, the use of self-evaluating checklists, avoiding the use of jargon, providing a template management plan, and simplifying the application of the concept of High Conservation Value Forests (HCVFs) on small properties.

The team specifically referenced the FSC document FSC-GUI-60-100, which provides guidance for streamlining the FSC Regional Standards "to simplify and clarify requirements for small and low intensity operations." This document suggests that:

"...standards writing groups should consider creating a version of the standard more user-friendly, and by eliminating those criteria, indicators and verifiers which apply only to larger operations...Standards writing groups could also provide a 'front page' to their national scale/size-adapted standard, which points each forest manager to the parts of the standard which apply to them. In countries where forest managers are familiar with forms for self-evaluation (eg. written grant applications, or self-assessment for tax purposes), National Initiatives (eg, FSC-US) are encouraged to produce check-list type standards, which the manager can use to self-evaluate his compliance prior to the arrival of the auditor."¹⁶

¹⁵ <http://www.dovetailinc.org/DovetailFSCReport.html>

¹⁶ FSC-GUI-60-100 Section 8, available at:
<http://www.fsccanada.org/SiteCM/U/D/1EFEA0F6A3F6FD06.pdf>

This approach to streamlining standards for small properties has been used by the FSC in Germany (FSC Kleinwald-Standard)¹⁷ and British Columbia (FSC BC Small Operations Standard)¹⁸. Both areas now have regional standards that are specifically interpreted and written for small properties.

The FSC and Georgia Pacific Corp. project report includes many other detailed recommendations for improving certification for family forests.

*The entire "Field Test Partnership Project Report" prepared by FSC-US and Georgia-Pacific Corp. and completed in November 2005 is available at:
http://www.gp.com/forestry/pdf/forestFieldTest_FINAL.pdf*

Controlled Wood

The FSC is currently finalizing changes to its chain-of-custody certification¹⁹ procedures. Included within the revisions are protocols for determining "controlled wood" status for non-FSC certified sources (FSC-STD-30-010). Wood that is not from an FSC-Certified forest but meets the "controlled wood" criteria can be included in FSC produced products. To be classified as "controlled wood" the land manager needs to demonstrate that the wood has been legally harvested, that traditional or civil rights have not been violated in the harvest area, that the harvest did not threaten high conservation values, and that the harvest area did not include conversion from natural forest to plantation or non-forest uses, and that the wood is not from genetically-modified (GM) trees.

There is the possibility that the verification systems for confirming compliance with the controlled wood standards may provide a mechanism for engaging small properties in certification efforts. By verifying that wood supplied by family forest owners meets the controlled wood standard, the wood could enter the certified marketplace and help meet demands for wood from confirmed sources while also introducing more landowners to the reporting exercises required of certification.

Barriers to Adoption of Certification by Small Landowners

Common barriers to certification of family forests include the costs of certification and the technical demands of the certification standard. But there are several other areas of work that need attention.

Certification Costs

The direct costs of certification relate primarily to the assessment costs and both ATFS and FSC have made efforts to reduce assessment costs by allowing for one-person assessment teams, streamlined audit reports and procedures, and reductions in annual audit requirements. It is notable that ATFS has historically relied on free assessments

¹⁷ <http://www.fsc-deutschland.de/infocenter/inhalt/standard/wald/slimf.htm>

¹⁸ <http://www.fsc-bc.org/BritishColumbia.htm>

¹⁹ For more information about Chain-of-Custody: Dovetail Report. 2005. *Chain of Custody Certification: What is It, Why do It, and How?* Available at: <http://www.dovetailinc.org/DovetailCOC0505.html>

provided by partners and volunteers. The various certification programs could explore opportunities for reviving or developing some element of donated or subsidized auditor services for small properties. It is worth considering whether time spent volunteering on assessments might count toward continuing education, developing credentials for licensing, or satisfying employer training requirements. Perhaps professional societies for natural resource managers could organize volunteer assessor directories. In addition, forest managers from one certified operation could perhaps trade auditing volunteer services with another certified operation, (accounting, of course, for any potential conflicts of interest).

Technical Challenges

Certification standards offer several areas of technical challenge, including requirements for management planning, monitoring, record keeping, and reporting. In regard to group certification there are additional group manager responsibilities that add additional administrative duties.

To help interested parties overcome some of these technical challenges, the ATFS makes available a template management plan and a *Manual for Group Organizations* that clearly outlines requirements for a Group Manager. The ATFS also offers a user-friendly certification standard. Some helpful materials are also available for landowners interested in the FSC program, but generally not directly from FSC. Landowners interested in FSC often have to work through the loose network of FSC certificate holders to seek out assistance with understanding precedent and requesting copies of templates and documents for managing an FSC group certificate. Some FSC group certificate holders have made the documents used for administration of their certificate available at their websites. The FSC has developed user-friendly versions of its forest management standards in only a few regions.

Improving accessibility: The Big Four

A recent policy brief from the Institute for Global Environmental Strategies²⁰ identifies four measures to improve the accessibility of forest certification for small operations: 1) reducing auditing costs; 2) engaging governments (e.g., forestry departments) in promoting certification; 3) introducing stepwise approaches for small forest enterprises; and 4) developing national services to support certification.

The good news is all four of these measures are being applied in the United States.

The issue of cost has already been mentioned and considerable work and attention is focused on this concern. The idea of engaging governments in certification outreach to landowners is also gaining traction in the United States as evidenced by the ATFS group certification work reported on from Wisconsin, research in several states, and the work of

²⁰ Scheyvens, Henry. March 2006. *PolicyBrief #003 Combating Forest Degradation - Certification as a driving force for amelioration- Challenges for small forest enterprises* IFES Forest Conservation Project. <http://www.iges.or.jp/en/pub/pb003.html>

the National Association of State Foresters to develop guidance on responsible land management for family forest owners. The use of stepwise approaches to certification in the United States is available through the ATFS, which offers a “Pioneer Tree Farmer” category that allows landowners up to five years to come into compliance with the standard. SmartWood, an FSC-Accredited Certifier, recently started offering “SmartStep,”²¹ a service “to provide forest management operations with a clear path to achieving FSC certification while gaining access to potential market benefits before achieving certification.”

The last area of work suggested in this brief is the development of national support services. There is some movement in this direction as identified by USDA-Forest Service research comparing the Forest Stewardship Program and the various certification models. However, this area of work is specifically listed separately from the one related to engaging governments because part of the emphasis in the paper is on opportunities to develop non-governmental support services and collaborative partnerships among a variety of organizations. Around the country there are numerous non-profit and other organizations that have been facilitating forest certification on family forests, including both FSC and ATFS projects that partner with local committees, organizations, and volunteers. Building and supporting these efforts at a greater capacity and with greater collaboration and coordination may provide opportunities. The reality is that with 10 million private woodland owners distributed all over the United States, a single organization or program is unlikely to achieve critical mass. Partnerships, and large partnerships, may be needed to achieve measurable, self-sustaining momentum.

The Bottom Line

In the less than two years since Dovetail’s first report on family forest certification, a great deal of innovation has occurred. Research, efforts by the individual certification programs and remaining areas of need and continued effort all point to widespread interest in building mechanisms to engage more family forest owners in certification.

²¹ http://www.rainforest-alliance.org/programs/forestry/smartwood/pdfs/smartstep_description.pdf

This report was prepared by
DOVETAIL PARTNERS, INC.

Dovetail Partners is a 501(c)(3) nonprofit corporation that collaborates to develop unique concepts, systems, programs, and models to foster sustainable forestry and catalyze responsible trade and consumption.

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