

FOREST CERTIFICATION

The Path Forward

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CERTIFICATION TOPICS

- ❖ **Introduction to Forest Certification**
- ❖ **Minnesota DNR's Forest Certification History**
- ❖ **Challenges / Barriers to Success**
- ❖ **Closing Thoughts**

Forest Certification – *Principles*

What is Forest Certification?

- * Market-driven, consumer led initiative to promote sustainably grown & harvested forest products
- * Involves independent, third-party evaluations to:
 - * Verify that resource management meets standards designed to conserve forests and protect related natural / human systems.
 - * Verify that certified paper and wood products come from responsibility managed forests.

Forest Certification - *Comparison of Systems*

* **Forest Stewardship Council (FSC)**

- * International based certification system
- * Founded in 1993 by environmental groups
- * Three-Chamber Governing Board



* **Sustainable Forestry Initiative (SFI)**

- * North American based certification system
- * Founded in 1995 by American Forest & Paper Association (AF&PA)
- * Recognized internationally in August, 2008



**FSC & SFI standards are revised every 5 years.
Both expire in 2015! Watch for Changes!**

Forest Certification - *Comparison of Systems*



American Tree Farm System (ATFS)

- ❖ National System for Family Forests
- ❖ Internationally endorsed in 2010
- ❖ Partnering with SFI label

Minnesota Master Logger Certification

- ❖ Specific to Minnesota
- ❖ Working to get this recognized by SFI / FSC



Forest Certification – *Audits*

- * Standards: Measure “sustainable” resource management.
- * Audits: Conducted annually by accredited auditors. Measure conformance to Certification Standards. Two Types:
 - * Assessment: Assessment every 5 or 3 years to the full Standard.
 - * Annual Surveillance Audit: Progress check on select topics.
- * Corrective action requests (CARs) assigned for compliance gaps. Corrective action & closure of CAR required.
 - * Major CAR: Fundamental failure to achieve objectives.
 - * Minor CAR: Minor/limited non-conformity.

ALL add validity to the certification process!

Forest Certification - *Comparison of Systems*

Hierarchical Structure

* **FSC Standard:**

- * **10 Principles**
- * **Criteria**
- * **192 Indicators**

* **SFI Standard:**

- * **20 Objectives**
- * **39 Performance Measures**
- * **114 Indicators**

- * **Indicators:** “A specific requirement in the Standard. Means for evaluating criteria.”

Forest Certification - *Comparison of Systems*

FSC Principles:

1. Compliance with laws & FSC Principles
2. Tenure & Use Rights
3. Indigenous Peoples' Rights
4. Community Relations & Workers Rights



5. Benefits from the Forests
6. Environmental Impact
7. Management Plan
8. Monitoring & Assessment
9. High Conservation Value Forests (HCVFs)
10. Plantations

Minnesota Forest Resources Council (MFRC) Forest Management Guidelines

“Best Management Practices - BMPs”

Environmental: RTE Species, Water Quality, Erosion Control, Leave Trees, Wildlife Habitat, Reforestation, Planting,

...



Social: Cultural/spiritual/ archaeological sites, Recreation, ...



Economic: Inventory, harvesting, utilization & marketing, R&D, ...



MFRC Forest Management Guidelines

- ❖ Certification standards assume BMPs exist and emphasize the need for continued progress toward full implementation.
- ❖ Forest Certification requires that:
 - BMPs be updated regularly.
 - Agencies conduct post-activity monitoring.
 - Agencies monitor compliance and show improvement.
 - Employees are trained to adequately implement BMPs.
 - Water quality and RTE species regulations are followed.
 - Seasonal road closures are utilized to avoid / minimize rutting.
 - Adequate #s and quality of leave trees be retained on site.



MINNESOTA DNR'S HISTORY



DNR is a Success Story!



* **Great Lakes States Region** recognized by Dovetail Partners & FSC as a success story and a hub for Forest Certification.

* = > 50% of FSC Certified forests in U.S.!

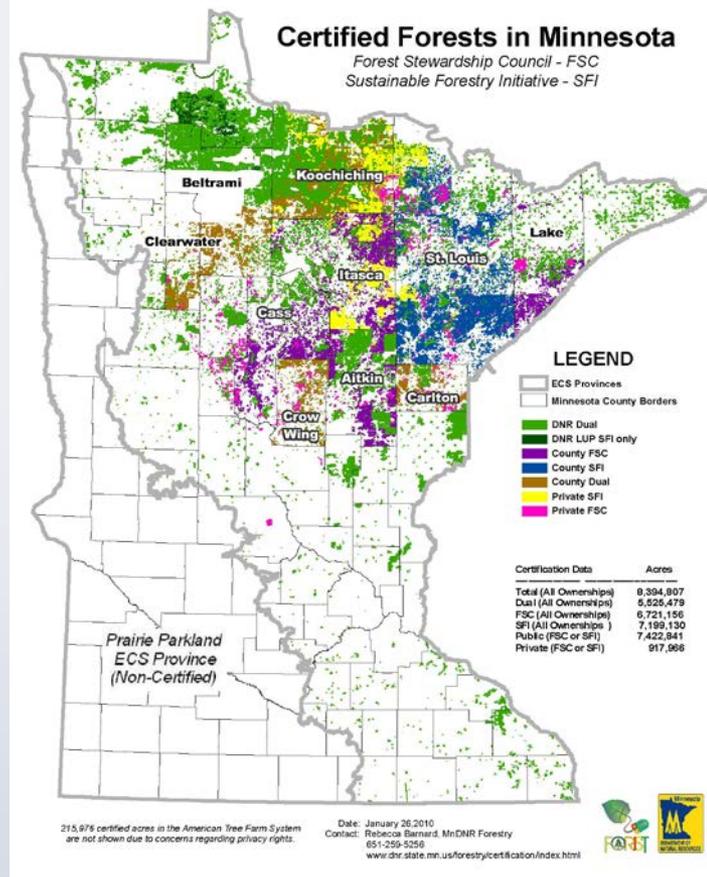
* Minnesota ranks #1 for most SFI acres!

* **Minnesota DNR** recognized for:

* Leadership and commitment to sustainable resource management.

* Successfully administering the largest single FSC forest management certificate in the U.S!

* **Dual Certification** recognizes Minnesota DNR's commitment to sustainable forestry



DNR Acres = 4.98 million
Total Acres = 8.48 million



DNR's History

- ❁ **1997:** 250,000 acres of DNR-administered forestlands in Aitkin County among first public lands to be FSC Certified.
- ❁ **2003:** Governor's Advisory Task Force Report recommended third-party certification for state lands.
- ❁ **Fall, 2005:** 4.84 million acres of MN DNR Forestlands administered by the Divisions of Forestry and Fish & Wildlife were awarded dual (FSC & SFI) certification.
- ❁ **October, 2010:** DNR successfully re-certified to the NEW FSC & SFI Standards. Expanded certificates to 4.98 million acres.

Economic Costs to Forestry

**Only Includes
DIRECT COSTS
to the Division
of Forestry**

DNR (Division of Forestry) Average Costs		
	FY 2006-2010	FY 2011-2015
Total	\$856,545	\$1,054,132
Average \$ / Yr	\$171,309	\$210,826

* **Direct Costs** = Small % of total costs.

* **Indirect Costs** = Implementation, monitoring, public consultation, opportunity costs of modifications to operations, impact of diverting staff away from management for administrative/logistical issues.

DNR has seen ZERO added revenue (i.e., price premiums)!

This is NOT a “get rich quick” endeavor!

Successes / Accomplishments

DRIVING VISION = Better forest management practices

HOW? = Communicate the environmental and social performance of forest operations, according to defined standards.

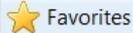
Economic Successes:

- ❖ Helps provide DNR's consumers with access to European & Canadian markets
- ❖ Fewer mill closures (comparatively) in the Great Lakes Region, resulting in continued markets for MN wood and sustained capacity to manage forests.

On-the-Ground Benefits:

- ❖ Strong support & adoption by Industry (*land managers & production mills*), state & county public agencies, and private land managers in some regions.
- ❖ Increased focus on implementation of BMPs (*in place of forest practices laws*)
- ❖ Increased credibility & engagement of stakeholders (*highly variable*)
- ❖ Increased emphasis on continuous improvement

Forest DNR's Certification Webpages



Favorites



Division of Forestry - Forest Certificati...



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Department of Natural Resources

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Forest Certification

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[Benefits of Forest Certification](#)

[Forest Certification audit process](#)

[Chain-of-Custody certification](#)

[Certified Forests in Minnesota](#)

DNR-specific info

[High Conservation Value Forests \(HCVF\)](#)

[MNDNR Forest management certificates](#)

[MNDNR Forest Certification audit reports](#)

[Description of DNR's Forest Management Plan](#)

[Contact information](#)

Division of Forestry

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Forest Certification

What is Forest Certification?

Forest Certification is a voluntary third-party process to identify and recognize well-managed forestland. In the context of Forest Certification, sustainability includes maintenance of the ecological, economic, and social components of forests and surrounding communities.

Through [chain-of-custody](#) certification, fiber from certified forestland can move through production streams, thus enabling the end product to receive a certified logo informing customers that the product came from a certified, well-managed forest and was manufactured responsibly.

Domestically, there are two major internationally recognized Forest Certification systems for public land: [Forest Stewardship Council® \(FSC\)](#) [\[EXT\]](#) and the [Sustainable Forestry Initiative® \(SFI\)](#) [\[EXT\]](#).

To become certified or maintain certification, certificate holders must successfully undergo [annual audits](#), conducted by independent, accredited auditing firms.



The mark of



CHALLENGES & BARRIERS

SFI 3-year Re-Certification = Increased Costs
FSC Chain-of-Custody (CoC) - Logger Certification
FSC International Standard
Moving Bar = Uncertainty

Chain-of-Custody

- * Chain-of-Custody (CoC) is the process of tracking & marketing certified products through on-product labels.
- * CoC is vital because it:
 - * Gives manufacturers access to a wider array of markets & customers;
 - * Enables products to be tracked back thru the manufacturing process; &
 - * Provides consumers with the assurance that products displaying a certified logo were grown, harvested, and produced in a sustainable manner.
- * If legal ownership transfers to a non-certified owner, that product is no longer certified.
- * CoC certification involves additional paperwork, audits, and costs to logging and procurement operations



Logger CoC Certification

- * FSC requires loggers who take legal or financial ownership to be CoC certified.
 - * Minnesota state statute grants DNR ownership from stump to mill, extending thru loggers. *(This situation is unique to MN state lands & some county lands.)*
- To AVOID needing a separate CoC certificate, we NEED LOGGERS/TRUCKERS/MILLS to follow all State CoC / timber sale ticketing procedures!**
- * CoC procedures are complex, often changing, and vary across landowners and mills. Call me with ?s.



FSC International Standard - Generic Indicators (IGIs)

<http://igi.fsc.org/>

FSC IGI

Goals of Principles & Criteria

- ✿ Increase credibility of FSC
- ✿ Increase global consistency
- ✿ Level playing field for U.S. certificate holders

DNR's Assessment:

TOTALS	343	MN DNR	62 18%	36 10%	146 43%	87 25%	12 4%
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343 Indicators (vs. 180 in FSC-US National Standard)

FSC IGI - *General Issues*

- ✿ Includes academic, onerous, and impractical requirements
- ✿ References international treaties/conventions (ILO conventions)
- ✿ Broadens definitions of “local communities” & “forest workers”
- ✿ Increased focus on stakeholder / community engagement, FPIC, tribal relations, expert review, etc.
- ✿ Includes requirements for analysis / planning / monitoring / protection adjacent to & outside of the FMU
- ✿ Presents legal challenges with “social-engineering” requirements
- ✿ Weakens the ability of certification bodies to assess the validity / credibility of various assessments and plans
- ✿ Further restricts use of pesticides = ultimate elimination
- ✿ Requires certification of nurseries

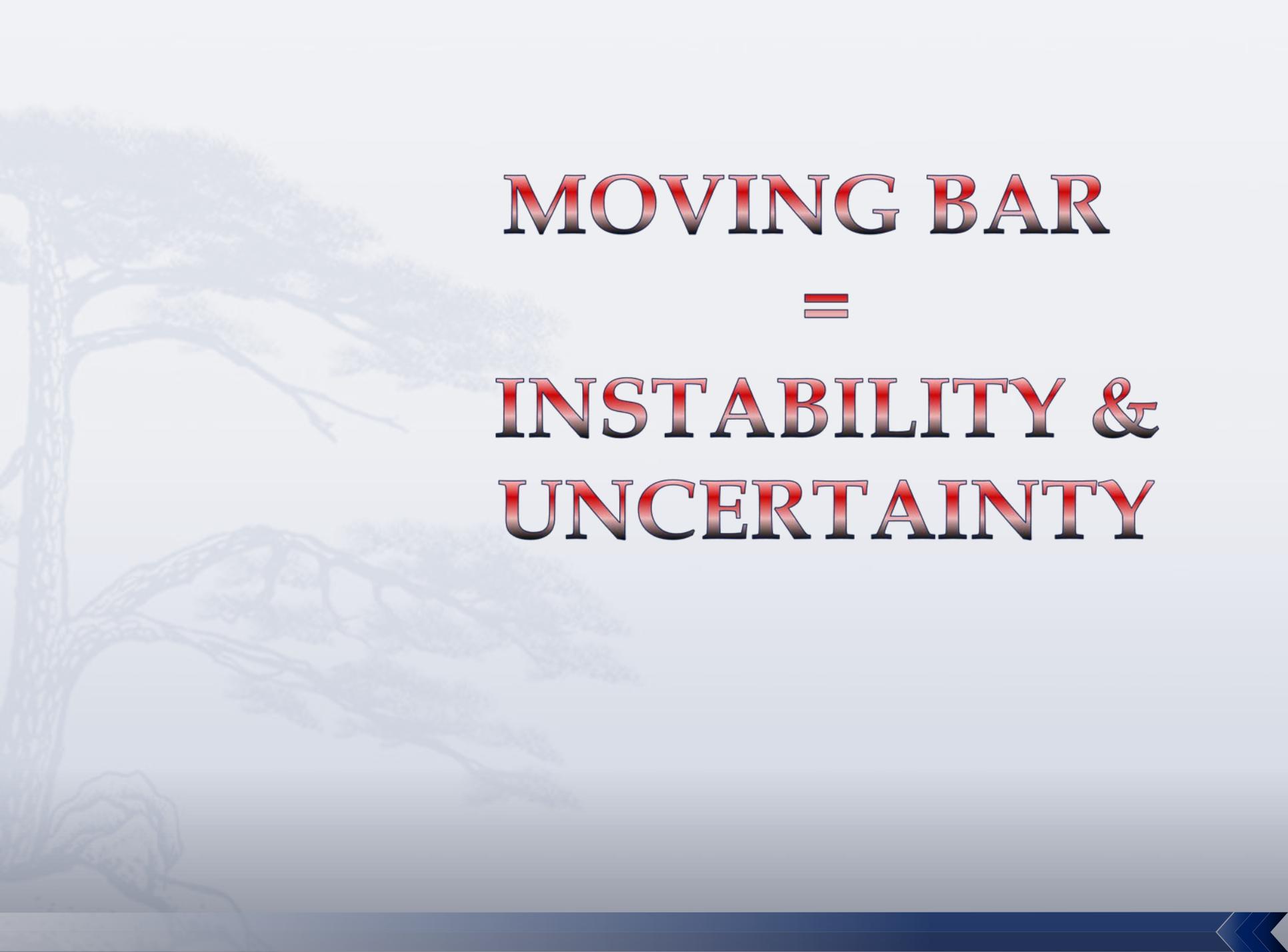
FSC IGI

PLEASE GET INVOLVED!!!!

Watch for 2nd opportunity to comment in September.

“Unless FSC revamps its whole approach to the IGIs, MNDNR will need to re-evaluate the viability of continued FSC Forest Management (FM) Certification on the 4.96 million acres of currently certified state lands.”

*~ Minnesota DNR comment letter,
signed by Commissioner Landwehr on 4/26/13.*

A faded, light blue background image of a tree with a thick trunk and spreading branches, positioned on the left side of the slide.

MOVING BAR

=

**INSTABILITY &
UNCERTAINTY**



Complex & Unrealistic Standards

Standards Are Imbalanced

- ❖ Diminishing recognition of, or support for, forest managers' need to harvest and sell timber in order to remain viable and solvent.

Burdensome Complexity - Prescriptive Standards

- ❖ **FSC:** 10 Principles – 192 Indicators – 109+ pages
- ❖ **SFI:** 20 Objectives – 114 Indicators – 16 pages

Perfection vs. Sustainability

- ❖ Ever-changing standards & policies = Uncertainty
- ❖ Striving for perfection deters those that remain uncertified
- ❖ Continuous improvement is great ... but at what cost?

Challenges / Barriers to Growth

Unrealistic Timeframes for Compliance

- Timelines are more appropriate for manufacturing vs. forest management.
- Time-lag = Auditors can only directly observe the impacts of past management.

Mission Creep, Redundancy, & Conflicts with U.S. Laws:

- *Legal Conflicts* = Private property rights and contracting/data-sharing policies.
- *Mission Creep* = Many examples of unnecessary and inappropriate expectations
- *Supply Chain Issues* = FSC's logger CoC certification requirement threatens FSC's viability and marketplace position by limiting product availability.



CLOSING THOUGHTS



A Better Business Model

- ✿ Need to remove political or economic barriers for new landowners. Zero growth indicates the model is out-of-sync for one group.
- ✿ Need to reward/compensate land managers for added costs, either via clear price premiums or strong market preference for certified fiber.
- ✿ Audit cycles and standard revisions must not layer on additional requirements that provide no added value to forest management.
- ✿ Standards must be attainable & build in recognition/flexibility to adapt and prioritize in times of economic hardship and limited budgets.
- ✿ Systems must limit redundancy and conflict with existing laws, BMPs, social structures, etc.
- ✿ We need to grow consumer awareness/demand for certified products AND turn this into support for the management of certified forests.
- ✿ Brand wars (FSC vs. SFI) discredit both systems & certificate holders!

Do We Need Forest Certification?

DRIVING VISION = Better forest management practices by communicating the environmental and social performance of forest operations.

- * We must work together to influence direction of FSC/SFI!
- * Forestry and our economy are NOT the same as 5 years ago!
- * Forest Certification serves an important role by:
 - * Connecting managers, manufacturers, and consumers together to better address future challenges.
 - * Helping to solidify markets and even the global playing field.
 - * Providing a platform for continual improvement.

Maintaining Forest Certification demonstrates and re-affirms dedication to sustainable/responsible resource management.

The End

THANK YOU!
QUESTIONS?

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