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# Forest Certification: A Status Report

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*Special thanks to:*
*Adam Birr, Dovetail Research Intern*

# Forest Certification: A Status Report

## Summary

In September 2004, Dovetail Partners released the report "A Land Manager's Guide to FSC & SFI: To Certify or Not To Certify, Is That a Question?" Over the past six years, this report has been directly downloaded thousands of times from the Dovetail website as well as being uploaded and made available through other organizations. At the time the report was released there was notable debate and confusion about the emerging world of forest certification. Since that time, forest certification has grown, in terms of the amount of certified land and companies participating in chain-of-custody[1]; and these trends have continued in recent years, despite economic challenges in the economy and within the homebuilding and forest sector specifically. However, certified wood has yet to achieve a critical mass[2] in the marketplace. In fact, by some measures certification's expansion in recent years has been driven primarily by the paper industry and the significant impacts thereby limited to this sector of the marketplace. Certification still needs to establish itself more broadly in the solid wood products marketplace. In the final analysis, it appears that the harmonization of chain-of-custody requirements for multiple certification systems could go a long way toward helping the overall market grow.

This report reviews the current status of forest certification programs, summarizes changes that have occurred over the past six years and speculates on what the future may bring in terms of opportunities and challenges. This report examines the North American context with some limited global references and with particular attention paid to programs of the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI). Information is also provided regarding the American Tree Farm System (ATFS) of the American Forest Foundation (AFF), the Canadian Standards Association (CSA) and the Programme for the Endorsement of Forest Certification schemes (PEFC).

## Introduction

Since the 1990s, the forest certification programs developed by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) have had a significant and positive impact on forest management in the United States.

In our 2004 report, we stated:

> *"At their heart, it appears the FSC's guidelines are geared to preserve natural systems while allowing for careful harvest, while the SFI's guidelines are aimed at encouraging fiber productivity while allowing for conservation of key resources. Given the current trend toward uncontrolled consumption growth, both approaches are probably not only valuable, but also necessary."*

This view remains unchanged and the past six years have continued to illustrate both the challenges and opportunities associated with having competing programs in the marketplace.

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[1] Chain-of-custody (CoC) is the process of tracking certified raw materials through the manufacturing process and to the end consumer.

[2] By some estimates a sustainable change requires 13% of the marketplace.

**Changes to the Programs**

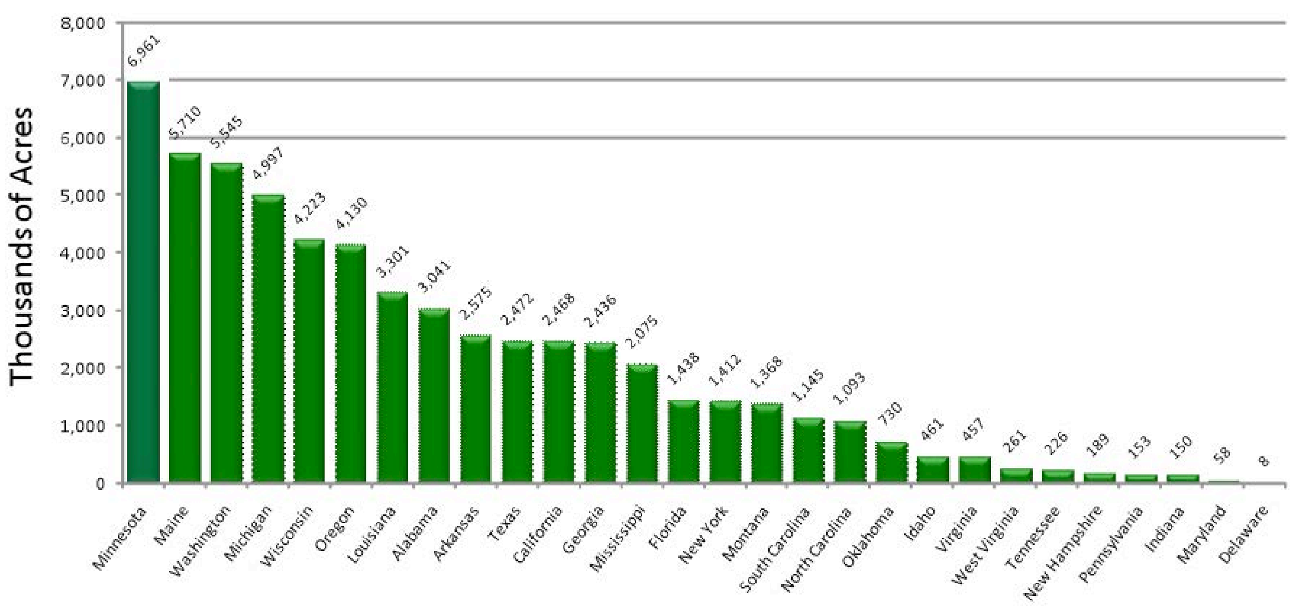
Since 2004, the SFI and FSC programs have each undergone and implemented notable changes.

*The Sustainable Forestry Initiative (SFI)*

Within the SFI program changes made in the past six years include:

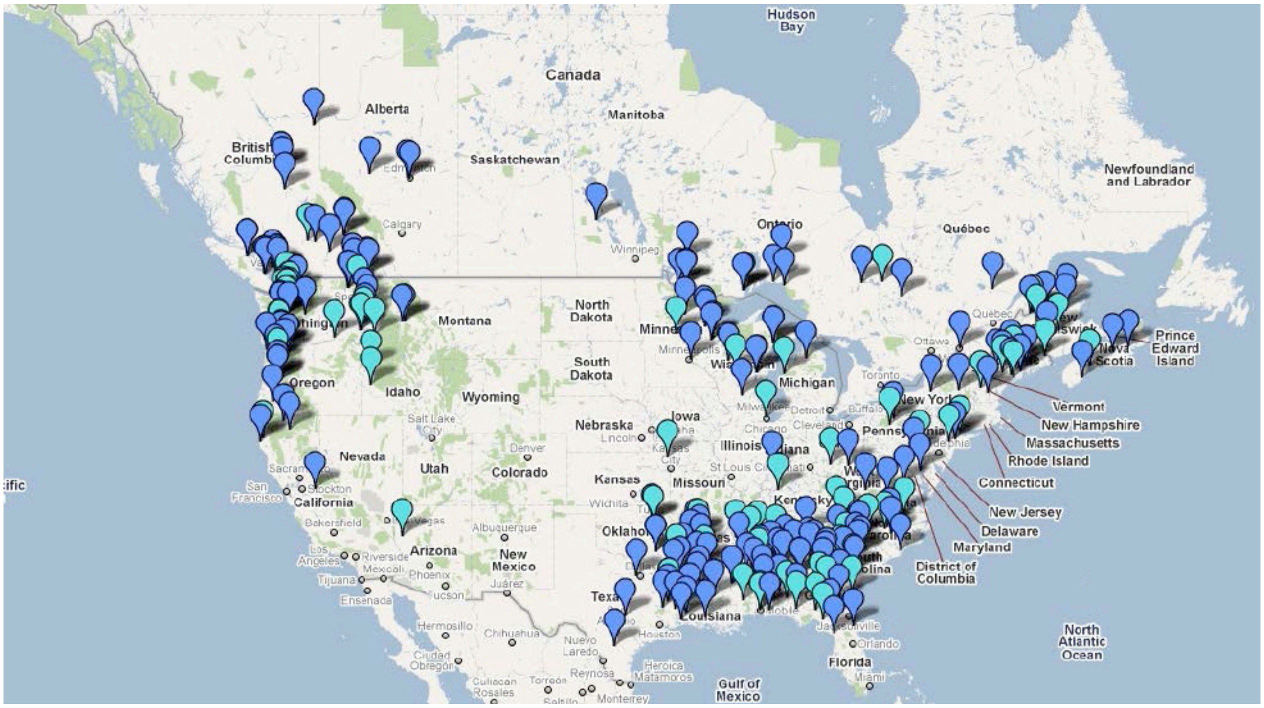
- Achievement of international endorsement from the Programme for the Endorsement of Forest Certification schemes (PEFC), allowing international recognition of the SFI program, standard and label,
- Transition to a fully independent 501(c) 3 structure,
- Creation of a diversified decision-making structure representing economic, ecological and social interests,
- Establishment of a chain-of-custody standard for the tracking and labeling of SFI raw materials and products,
- Transition to a full third-party auditor based program,
- Accreditation through the American National Standards Institute (ANSI),
- Development of public reporting, including publicly available assessment reports,
- Incorporation of social considerations within the standard, including indigenous people's rights and stakeholder consultation,
- Expansion to include Canada within the scope of the SFI standard, and
- Completion of a five-year standard revision process, including opportunity for public comment.

Figure 1. SFI Certified Land by State as of January 15, 2010




*Source: SFI Program, January 2010*

Figure 2. Map of Sustainable Forestry Initiative (SFI) Forest Management Certificate Holders in the U.S. and Canada




Data compiled by Dovetail Partners, Inc. (251 locations shown)

*Note: Light blue/green markers indicate SFI Procurement certificates (also referred to as Fiber Sourcing Certification) and are held by companies that may not own or manage forestlands directly. The company must demonstrate that two-thirds of its fiber supply comes from suppliers certified to the procurement objectives (Objectives 8-13) of the SFI 2005-2009 Standard, and the other one-third cannot come from controversial sources.*

To view map online, visit: http://www.dovetailinc.org/content/forest-management-certification-us-and-canada

Overall, the changes to the SFI program have made what was a national, industry-led effort into an internationally recognized and more independently managed program. The previous graphics illustrate the distribution of SFI certified lands in terms of acres per U.S state (Figure 1) and by certificate holder location in the U.S and Canada (Figure 2). The impact of the SFI program has grown from approximately 90 million acres third-party certified in 2004[3] to 181 million acres today, and from having issued no chain-of-custody (CoC) certificates in 2004 to 807 chain-of-custody certificates issues as of year end 2009.[4,5] Despite significant changes and growth, the SFI program is still not fully recognized for credit in most green building programs, including the various LEED ratings systems managed by the United States Green Building Council (USGBC).

The changes to the SFI program are further detailed and described within the Dovetail article:

*Forest Certification Update: The Sustainable Forestry Initiative*,
Available at: http://www.dovetailinc.org/files/DovetailSFIUpdate0407cg.pdf

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3 2004 numbers are as reported by Dovetail http://www.dovetailinc.org/files/DovetailSFI102004.pdf

4 Current data as of Dec. 31, 2009 http://www.sfiprogram.org/files/pdf/newsletters/SFI%20Newsletter%20Jan10.pdf

5 On March 9, 2010, SFI announced the milestone of 2,000 chain-of-custody certified locations (individual certificate holders may have multiple locations). http://www.sfiprogram.org/newsroom/?p=259

*The Forest Stewardship Council (FSC)*

Within the FSC program changes made in the past six years include:
- Development of a volume credit based chain-of-custody control system,
- Development of a Controlled Wood Standard for evaluating the non-FSC content of a mixed source product or material,
- Establishment of independent auditor accreditation services through Accreditation Services International (ASI),
- Establishment of a requirement to issue non-conformances at the indicator level during forest management assessments,
- Revision of the nine regional standards in the U.S to create a single national standard (currently in final draft form and awaiting approval from FSC-International Center),
- Development of Family Forest Indicators within the U.S. National Standard (currently in draft form, having completed the first round of public comment), and
- Revision of the Group Certification Standard to allow greater flexibility in demonstrating compliance with some of the indicators at the group level rather than at the individual group member level.

In general, the changes to the FSC program were made to accommodate unique challenges and needs while strengthening the accountability and integrity of the standards. The FSC program is still challenged by a perception that compliance costs for small businesses and small landholders are too high. Additionally, some business interests view the standards and requirements for the FSC program as changing too frequently.

Since 2004, global FSC certification has grown from 125 million to 304 million third-party certified acres and a total of 987 forest management certificates.[6] The figures on the following page illustrate the distribution of FSC certified forestlands globally (Figure 3) and the distribution of forest management certificate holders in the U.S. and Canada (Figure 4). In terms of chain-of-custody certification, FSC has grown from 4,000 chain-of-custody certificates in 2004 to 16,235 today. In 2004, FSC was operating in 62 countries, whereas today that number is over 80.[7,8]

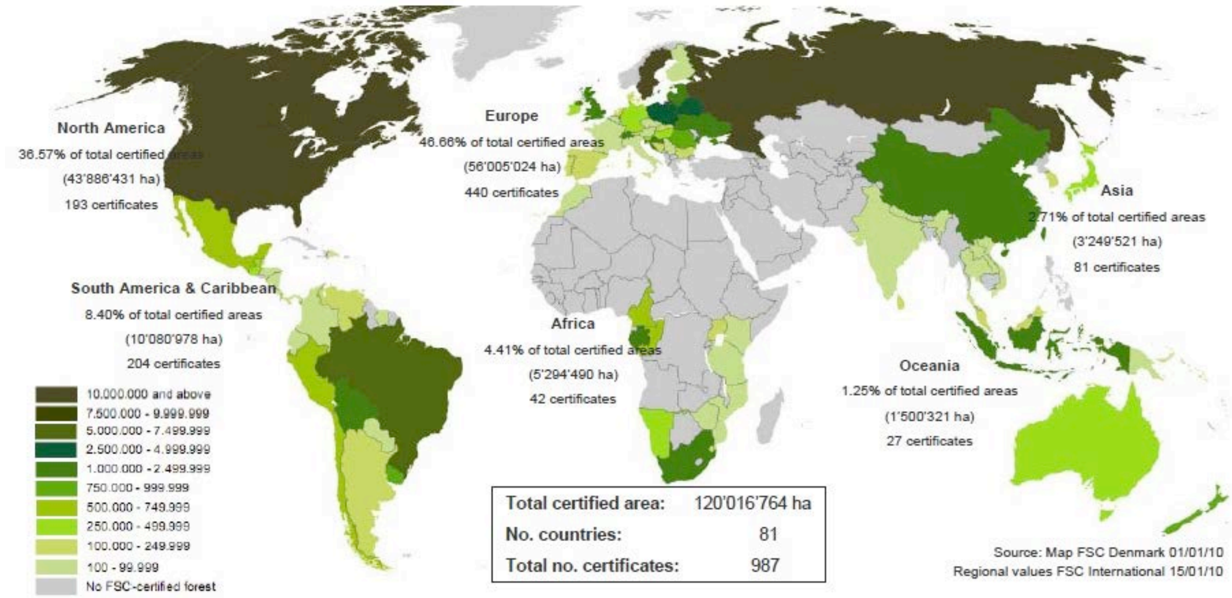
Changes to the FSC program are further detailed and described within the Dovetail reports:

*Forest Certification Update: The Forest Stewardship Council (FSC)*
Available at: http://www.dovetailinc.org/files/u1/DovetailFSCupdate0608eg.pdf, and

*FSC Controlled Wood Standard: What It Is and What It's For*
Available at: http://www.dovetailinc.org/files/DovetailCtrldWd0507ry_0.pdf

6 http://www.fsc.org/fileadmin/web-data/public/document_center/powerpoints_graphs/facts_figures/Global-FSC-Certificates-2010-01-15-EN.pdf (Accessed March 2, 2010).
7 2004 data as reported by Dovetail in 2004: http://www.dovetailinc.org/files/Dovetail3rdParty91504_000_0.pdf
8 Current data as of Feb. 12, 2010, as reported at: http://www.fsc.org/facts-figures.html (Accessed March 2, 2010)

Figure 3. Global FSC Certified Forest Area by Region




*Source: Global FSC certificates: type and distribution, January 2010 (FSC, A.C. Published February 2010)*

Figure 4. Map of Forest Stewardship Council (FSC) Forest Management Certificate Holders in the U.S. and Canada


Data compiled by Dovetail Partners, Inc. (158 locations shown)

Note: Yellow pinpoints display FSC Forest Management Certificates. Green pinpoints display FSC Forest Management GROUP Certificates.

To view map online, visit: http://www.dovetailinc.org/content/forest-management-certification-us-and-canada

*American Tree Farm System, Canadian Standards Association and PEFC*

There have also been changes in recent years within the other forest certification programs that operate in North America. The American Tree Farm System (ATFS) of the American Forest Foundation (AFF) has achieved international recognition through the Programme for the Endorsement of Forest Certification schemes (PEFC). In connection with this endorsement, the ATFS has adopted the chain-of-custody requirements of PEFC, although the ATFS does not currently have or promote an on-product label. The ATFS also developed an online system for verifying the certified status of a supplier (access is controlled through a fee and registration process).

The Canadian Standards Association (CSA) program[9] was the first North American program to become PEFC endorsed and continues to serve the interests of Canadian land managers and organizations. The CSA has recently completed development of a smallholder standard (CSA Z804) to increase certification opportunities for small properties in Canada. It is anticipated that CSA will pursue PEFC endorsement for the new smallholder standard.

The Programme for the Endorsement of Forest Certification schemes (PEFC) has grown significantly in the last six years. When Dovetail first reported on PEFC there were 16 endorsed programs and a total of 28 national forest certification programs participating as members of the PEFC. In 2004, the PEFC endorsed programs represented about 130 million acres of certified forestland.[10] Today there are 28 endorsed national programs (Figure 5) and 34 members of PEFC. The PEFC now consists of 544 million acres of certified forestland within the endorsed programs and nearly 6,200 PEFC chain-of-custody certificates have been issued.[11] Additionally, as of February 2010, PEFC has announced a policy to allow stakeholders to become members.[12]

Figure 5. PEFC Endorsed Programs

*Source: http://pefc.org/index.php/about-pefc/who-we-are/facts-a-figures (Accessed March 2, 2010)*

[9] The Canadian Standards Association's Sustainable Forest Management standard is CSA Z809, first published in 1996.
[10] 2004 Data as reported by Dovetail: http://www.dovetailinc.org/files/DovetailPEFC111904.pdf
[11] Current data from http://pefc.org/index.php/about-pefc/who-we-are/facts-a-figures (Accessed March 2, 2010)
[12] http://pefc.org/index.php/news-a-media/general-sfm-news/news-detail/item/472-new-opportunity-to-join-pefc

*With all these changes, what distinctions remain?*

With the changes made since 2004, many of the previous differences between forest certification programs are much less distinct. The following table (Table 1) shows that each program generally has the same structural programmatic requirements, although the required content and level of detail provided by each may vary considerably. For example, each program incorporates stakeholder consultation and indigenous people's rights, but this apparent similarity provides an example of remaining distinctions. In the FSC program, consultation with indigenous peoples is required for certification of all forest management operations; while the SFI program requires consultation with indigenous peoples only when the certification assessment is for public lands.

Table 1. Forest Certification Program Characteristics

| **Program** | **Third-Party Auditors?** | **Chain-of-Custody?** | **Public Reporting?** | **Stakeholder Consultation?** | **Independent Governance?** | **On-Product Label?** |
|---|---|---|---|---|---|---|
| American Tree Farm System | Yes | Yes | Yes | Yes | Yes | No |
| Canadian Standards Association | Yes | Yes | Yes | Yes | Yes | Yes* |
| Forest Stewardship Council | Yes | Yes | Yes | Yes | Yes | Yes |
| Programme for the Endorsement of Forest Certification | Yes | Yes | Yes | Yes | Yes | Yes |
| Sustainable Forestry Initiative | Yes | Yes | Yes | Yes | Yes | Yes |

* CSA has adopted the PEFC on-product label and discontinued use of the original CSA on-product label.[13]

Several additional differences can be found within the programs and their respective standards for evaluating forest management practices. The most black-and-white distinction that remains between the SFI and FSC programs is that the FSC program has a comprehensive ban on the use of Genetically Modified Organisms (GMOs). This restriction in the FSC program is included in the FSC forest certification standard[14] as well as within the FSC Controlled Wood Standard[15], meaning that an FSC labeled product cannot contain GMOs or come from a forest where GMOs are planted. The SFI

[13] Personal correspondence from Vice-Chair of CSA SFM Technical Committee, 16 March 2010

[14] FSC Criterion 6.8: Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited. (FSC Principles and Criteria for Forest Stewardship, FSC-STD-01-001 V4-1)

[15] The FSC controlled wood standard includes "Wood from forests in which genetically modified trees are planted" as an area of risk evaluation, and within the evaluation requires, for example, "The Forest Management Enterprise shall ensure that no planted genetically modified (GM) trees are present in the Forest Management Unit (FMU)." Sources: *FSC-STD-40-005 V201Standard for Company Evaluation of FSC Controlled Wood, FSC-STD-30-010 V2-0 Controlled Wood Standard for Forest Management Enterprises*

program and other PEFC-endorsed standards do not generally have a prohibition regarding GMOs and instead largely rely upon national and international laws regarding the use and disclosure of GMOs.[16] Given that GMOs are not included in commercial forest product production in North America, the impact of this distinction is currently more philosophical than physical. However, as GMO use is expected to expand, the FSC program may face challenges with enforcing this standard and it may prove to be a defining difference between programs. One of the unique dilemmas that may develop could be the potential use of genetic modification technologies for species restoration efforts. For example, in recent months a program has been initiated to reintroduce chestnut trees through planting efforts at National Forests in the United States. The proposed plantings do not currently include genetically modified trees, but the possibility of their use in the future exists.[17] Research using genetic modification has been developed or proposed for the restoration of elm, chestnut and white pine.[18]

## Choice of Programs

Even though the distinctions between forest certification programs may have become more and more subtle, deciding which program to support or participate in is still based upon specific values and circumstances. Furthermore, choosing to certify or not to certify is a decision still to be made by many forestland owners and managers. The blurring of the lines does not mean there aren't real reasons why organizations continue to choose one program over another.

As we wrote in the 2004 report, *"For organizations weighing the choice between third party certification systems, careful consideration must be given to the perceived bias in each. To some, SFI certification is like having the fox guarding the hen house. Alternately, submitting to FSC oversight can be viewed as giving in to the added control and costs demanded by tree-huggers. Often, resistance to certification by either system is a result of fear, based on hidden, or subconscious, bias. It is bad organizational policy to make decisions based on fear and bias. Organizational stakeholders deserve better, and land managers need to recognize this and develop a comparison based on analysis of the actual merits of the varying standards instead."*

Increasingly, the final decision regarding certification participation is based upon the perceived potential advantages and merits of the marketplace.

## The Emergence of the Marketplace

Over the past six years, forest certification has grown considerably (Table 2, following page). As noted earlier, SFI certified acres have grown from 90 million in 2004 to 181 million acres in 2009 (101% growth), and from 0 chain-of-custody (CoC) certified companies to 807 in 2009.[19]

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[16] CSA prohibits the use of GMOs operationally

[17] The American Chestnut Foundation conducts a traditional genetic improvement program. Scientists in Georgia and New York have worked on developing a blight-resistant chestnut via genetic engineering. http://www.forestbiotech.org/pdf/GE_Trees_Ecorisk_online_v1.pdf

[18] GENETICALLY MODIFIED TREES: PRODUCTION, PROPERTIES, AND POTENTIAL by Kevan M.A. Gartland, Robert M. Crow, Trevor M. Fenning, and Jill S. Gartland http://joa.isa-arbor.com/request.asp?JournalID=1&ArticleID=102&Type=2

[19] All of the SFI activity is within the United States and Canada. The SFI program has 82 million acres certified in the U.S and 99 million acres in Canada.

Table 2. Growth in the SFI and FSC Programs, 2004-2009

| | **2004 Certified Area** *(million acres)* | **2009 Certified Area** *(million acres)* | **2004 Chain-of-Custody Certificates** | **2009 Chain-of-Custody Certificates** |
|---|---|---|---|---|
| Sustainable Forestry Initiative (SFI) | 90 | 181 | 0 | 807 |
| Forest Stewardship Council (FSC) | 125 | 304 | 4,000 | 16,235 |

Globally, since 2004, FSC has expanded the number of certified acres from 125 to 304 million (143% growth) and from 4,000 chain-of-custody certificates to 16,235 (305% growth).[20] Since 2007 within North America, FSC has grown from 23 million certified acres in the U.S. to 31.5 million today (37% growth), and from 1,227 CoC certificates to 3,542 (189% growth). In Canada, FSC had 51 million certified acres and 399 CoC certificates in 2007; today within Canada there are 77 million acres FSC certified and 881 FSC CoC certificates (51% and 121% growth, respectively).[21, 6]

There are some interesting patterns within these numbers. For example, much of the FSC-certified land in the U.S. is located within two main regions of the country – the Upper Midwest and the Northeast. Just three certificate holders, the Michigan, Wisconsin[22] and Minnesota Departments of Natural Resources account for 40% of all of the FSC certified land in the United States. [23] If state lands in Maine, New York, and Pennsylvania (an additional 3.5 million acres) are added to this list, the total rises to 51% of all FSC certified lands being administered by six certificate holders.[24]

Within the SFI program, the certified land within the U.S includes 36% (20 million acres) in southern and 24% (14 million acres) in western states as well as significant acreage in the central and northeastern regions (41%, 24 million acres).[25]

As state governments face record deficits and budget challenges, upcoming decisions about maintaining current forest certification program commitments will greatly impact the extent of certified forests. In addition to the challenge of declining public sector budgets and continuing costs of auditing and compliance, continued growth in market demand for certified products represents another challenge to the programs. The two areas of market growth that are most notable are the paper, publishing and printing sector and the green building sector.

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20 Within the U.S and Canada, FSC has a total of 109 million acres certified and 4,423 CoC certificates

21 2007 data compiled by Dovetail, See: http://www.dovetailinc.org/files/DovetailRegCertReport1107gc.pdf

22 The Wisconsin DNR holds three FSC certificates, for state-managed lands, the county lands programs and private lands enrolled in the Managed Forest Law Program.

23 An additional 1.5 million acres of county-managed lands are FSC-certified in Minnesota and raise the total to 45% if included.

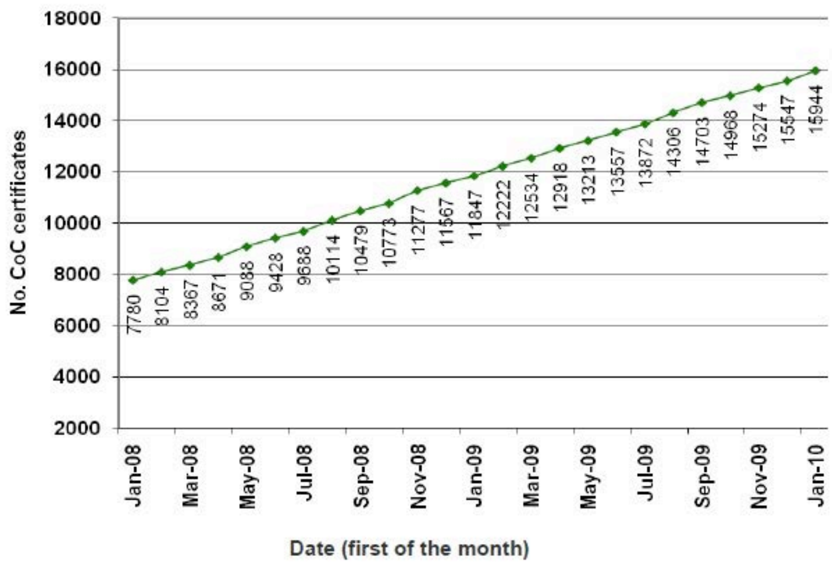
24 Four of the certificate holders are joint FSC and SFI certified (Minnesota, Michigan, Wisconsin, Maine).

25 Based on USFS regional office coverage

*Paper, Publishing and Printing*

Beginning in 2004, Time, Inc. and other large customers made commitments to increase the use of responsible paper sources, including certified papers as well as increased recycled content papers. The commitments included timelines and targets for suppliers to deliver increased percentages of certified papers. With a deadline of December 31, 2005, the major paper supplying regions of the country saw a rash of certification activity in 2005 with thirteen FSC forest management certificates issued that year representing 11.4 million acres.[26] The impact on FSC chain-of-custody certificates in recent years is also evident (Figure 4). On the SFI side, the growth of certification within the printing sector can be demonstrated by that fact that of the 807 SFI chain-of-custody certificates, 526 (65%) are printers.[27] The impact of the pulp and paper market growth has been far less pronounced in areas of the country lacking pulp and paper production facilities.

Figure 4. FSC Chain-of-Custody Certificates (Globally)




*Source: Global FSC certificates: type and distribution, January 2010 (FSC, A.C. Published February 2010*

*Green Building*

Development of certified wood markets in construction has been driven by credits awarded by green building programs for the use of certified wood. Most of the programs give credit for only FSC certified materials, which has sparked stakeholder battles over protecting this monopoly versus being more inclusive of other third-party certification programs. The bottom line is that while the green building programs have been important for raising market demand and market awareness of certification, the impact is not nearly as dramatic as the paper procurement commitments have been.

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[26] For comparison, zero FSC certificates are identified as being issued in the U.S. in 2004; and in 2006, seven certificates enrolling approximately 259,000 acres were issued. 2007 was another active year for FSC in the U.S. with 13 certificates for 2.3 million acres issued. All together, FSC forest management certificates issued in 2005, 2006 and 2007 (3 years out of a 13+ year history and largely in response to paper market demands) represent 29% of certificates in the U.S. and 44% of the FSC certified land. Source of data: www.info.fsc.org Accessed March 22, 2010

[27] http://www.sfiprogram.org/files/pdf/SFIAnnex2CoCCertificates-PrintersOnly.pdf

To obtain a certified wood credit a builder may need only purchase half of the wood products for the project as certified (based upon total value and as specified within the LEED-NC[28] program). So, while noteworthy, the green building market is not as significant as that which developed following the announcement by the world's largest paper purchaser that 80% certified paper was wanted within 12 months. Were a major national home builder or lumber distributor to make a demand similar to what Time, Inc. made for paper – perhaps the growth in demand for certified wood in the solid wood sector would mirror or even exceed the magnitude of change seen in the pulp and paper sector since 2004.

**Past Trends and Future Outlooks**

Over the past decade, forest certification has enjoyed fairly steady growth, especially in terms of chain-of-custody certification (Figure 5). However, a closer look at the data shows that this trend may be slowing, and there is even evidence that the amount of third-party certified land may have peaked or nearly peaked in 2008 (Figure 6).

The thought of reaching a peak in certified land area has put to question the feasibility of certifying new lands beyond those that are currently certified.[29] Current financial and economic constraints will likely also impact the decisions of those whose five-year contracts are expiring and choosing whether or not to renew their certification. The economic challenges many certificate holders are facing are real, and the potential for existing certificates to be discontinued at the time of annual audits or at the five-year anniversary date is legitimate. Certificates first issued in 2005, a strong growth year for forest management certification, will come up for renewal in 2010. The reality of challenging economic times and the fact that FSC and SFI have changed their standards in the ensuing five years adds to the uncertainty.

To further add to the uncertainty of forest certification's future, the movement in the United States recently added a new twist when several legal actions were taken that are directly or

Figure 5.

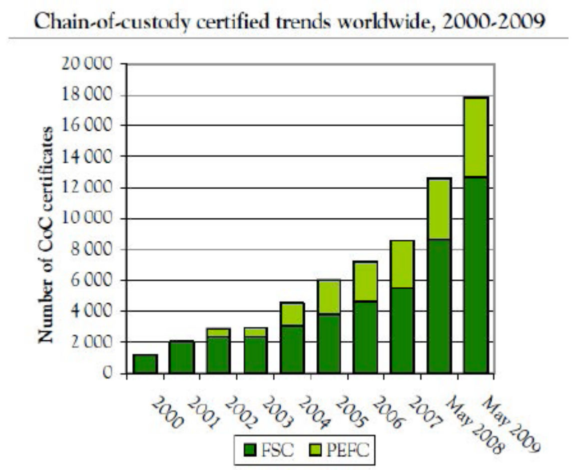
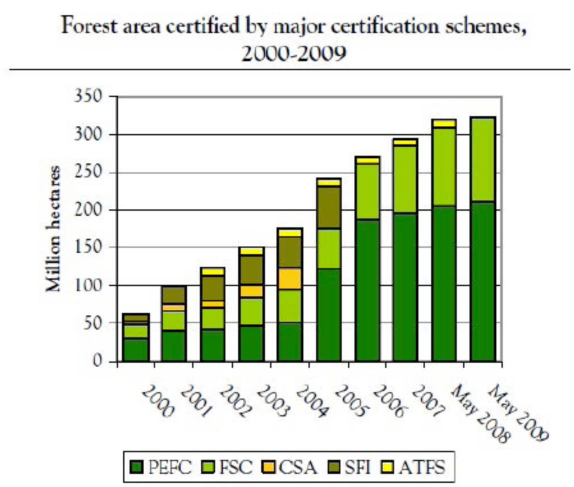



Figure 6.




*Source: UNECE/FAO Forest Products Annual Market Review, 2008-2009*

[28] LEED-NC is a green building standard developed by the United States Green Building Council (USGBC) and applies to New Construction (NC).

[29] e.g., in the United States there continue to be barriers to the certification of federal forest lands and family forest lands, two categories of ownership with low rates of participation

indirectly associated with forest certification. A legal action filed in 2008 was associated with the distribution of softwood settlement monies and the award of some monies to one certification program without equal consideration of programs offering what were argued to be similar benefits or services.[30] This action included FSC-US as a plaintiff. In 2009, Forest Ethics filed a complaint alleging abuse of non-profit regulations by SFI and misleading eco-label claims.[31] These claims were filed with the IRS and Federal Trade Commission (FTC). Within weeks of the Forest Ethics filing, forest sector companies responded with a complaint filed against the FSC and USGBC[32] for misleading eco-label claims of their own and for being exclusionary for equivalent certification programs.[33] Whether any (or all) of these legal actions have merit may be largely beside the point as such activity may serve to simply increase public and decision-maker cynicism about forest certification and dampen enthusiasm for certified wood use.

For better or worse, all of the certification programs have the same goal and the same measure of success at the end of the day. Each program is trying to identify wood as a responsible, accountable and green product in the marketplace. Each certification program has to measure their success by the volume (and value) of products that are being bought and sold in the marketplace under their respective labels. A certification program is in essence a "forest products company." It makes very little difference how many acres might be certified or how many certificates might be issued - if marketplace transactions aren't occurring. Without a functioning marketplace, including robust supply and demand, there is little legitimacy to an argument that any of the certification programs have the capacity to provide a lasting impact or benefit for our forest resources.

**Where do we go from here?**

At this stage in the development of forest certification, it is appropriate to ask whether the forest would be better off with just one dominant system or if the continued competition between programs offers benefit. In years past the benefits of competition have been fairly evident. A strong case can be made that many of the changes within the FSC and SFI systems over the past six years are the direct result of criticisms and comparisons leveled against each and resulting from competition. Clearly SFI felt compelled to become internationally endorsed and to establish a chain-of-custody program to stay on par with FSC. Clearly FSC's establishment of independent accreditation and a volume credit control system were also moves made to remain competitive.

In years past there was informal talk about the potential for mutual recognition between certification programs. The PEFC approach to endorsement offers one example of how mutual recognition can work. The FSC use of "National Initiatives" and standardized Principles and Criteria offers another model for replicating certification standards at a global scale.

While competition among forest certification programs is likely to provide ongoing incremental benefits, it is unclear what the benefits are of competing chain-of-custody systems. Whereas competing *forest management standards* illustrate some fairly distinct differences in defining responsible forestry, the *chain-of-custody standards* are much less distinct. For the benefit of all

[30] http://naturalresourcereport.com/2008/10/fsc-sues-us-government-for-helping-aff-and-family-woodland-owners/
[31] http://wflc.org/cases/credibleforestcert/SFIcomplaints
[32] United States Green Building Council (USGBC)
[33] http://greensource.construction.com/news/2009/091222Deception.asp

programs, it would be advisable for the various certification programs to reach agreement on a common approach to chain-of-custody that would allow standardization throughout the marketplace. Clearly, each program could still retain differences in logo and trademark usage regulation, but the actual details of control systems, record keeping, training requirements and the exclusion of unspecified risk or controversial sources are already highly compatible. If the programs could agree to a common, standardized approach to chain-of-custody requirements it might allow for more widespread and rapid adoption in the supply chain. Chain-of-custody standardization might also allow each program to refocus energy and resources on the more important aspects of their work, which are the refinement of forest management standards and expansion to engage a larger percentage of the world's forests.

One of the most substantial threats to the future usefulness of forest certification may be the development of product specific standards. Forest certification programs have taken a holistic approach to natural resource management, inclusive of all types of forest-derived products and benefits. Simplified approaches that focus on single issues and single products may prove to be highly competitive and undermine the market demand and customer commitment to forest management certification.[34] Ideally, to remain competitive, the forest management standards will be able to incorporate specific indicators to address emerging issues and opportunities. Thereby retaining an edge and maintaining a commitment to comprehensive and systems-based certification.

**The Bottom Line**

Over the past six years, forest certification has grown in terms of the total certified land area and an increasing number of companies participating in chain-of-custody. These trends have continued despite economic challenges within the homebuilding and forest sectors. Significant changes have occurred within the major certification programs in recent years, and, in several ways, it is increasingly difficult to differentiate between certification systems in North America. The challenge of differentiation is critically important in the marketplace, as consumers are having enough difficulty selecting between certified and non-certified products without having to choose between the complexities of individual programs. As an example of the consumer dilemma, is a product made of wood from an FSC-plantation more environmentally friendly than wood from an SFI certified natural forest? Would it matter if a product were from an FSC-certified source as compared to an SFI labeled product harvested from a forest jointly certified to both the SFI and FSC standards? Is an SFI labeled product with 100% certified content more environmentally friendly than a FSC labeled product whose certification is based on the volume credit system and may not include content from a certified forest of any kind? We believe the answer to these questions and similar questions is no. However, and perhaps even more importantly, the key to having the market drive better forestry is that we don't force these questions.

There are many challenges facing the future of forest certification, including higher costs, increased competition from higher performing products, highly competitive markets, and the still unaddressed need to expand the level of marketplace participation to a critical mass. The establishment of a shared approach to chain-of-custody systems is the key strategic activity that has the potential to address multiple challenges simultaneously for major certification systems and the marketplace. It is a key approach that can generate a win-win….win.

[34] For example, verifying locally-grown, plantation-grown, GMO-free, carbon-neutral, eligible biomass, etc.

*This report was prepared by*

**DOVETAIL PARTNERS, INC.**

*Dovetail Partners is a 501(c)(3) nonprofit organization that provides authoritative information about the impacts and trade-offs of environmental decisions, including consumption choices, land use, and policy alternatives.*

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