

GROUP CERTIFICATION:
AN OPPORTUNITY TO ENGAGE MORE FAMILY FORESTS

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Group Certification

An Opportunity to Engage More Family Forests

Introduction

In its standard form, forest certification involves evaluating a single operation, whether it is a single landowner, land manager, or forestry company. However, there are also situations where a certification assessment involves a number of landowners, managers, or businesses. The certification of more than one independently owned operation under a single shared certificate is called group certification.

Group certification is a mechanism for achieving economic and operational efficiencies by issuing a single certificate for a pool of participants. Group certification is used in both forest management certification as well as chain-of-custody certification. A common example of forest management group certification is when a consulting forester holds and manages a certificate on behalf of a group of his or her clients. With chain-of-custody group certification, small business owners share a single certificate that collectively applies to their individual operations and products.

In the United States, 58% of the total timberland is owned by non-industrial private landowners. To achieve broad forest stewardship goals, it is critical that this group is included in any programs that impact long-term forest management. Forest certification is one such program. It is estimated that there are nearly 10 million private forest owners, with 90% having properties smaller than 100 acres¹. It appears that group certification approaches are the most likely mechanism for engaging these owners and their lands in forest certification opportunities.

Certification of family forests is a way to help deliver the wood supplies that the marketplace is increasingly demanding, to recognize and reward the practice of responsible forestry on more acres, and to give family forest owners an opportunity to make a public statement about their values. Group certification can be a flexible and useful tool for engaging family forests and small forestry enterprises.

This report provides background information on forest management group certification and examples of existing group certificates in the United States. Opportunities and challenges associated with increasing the use of group certification are also discussed.

Certification Background

Third-party forest certification emerged in the 1990s as a tool for evaluating forest management operations and communicating the benefits of responsible forest management to the marketplace through the labeling of certified products.

¹ <http://sfp.cas.psu.edu/nipf.htm>

There are five major forest certification systems in North America and more than 200 million certified acres. Each system provides standards for evaluating forest management and the evaluations are conducted by independent auditors. For operations that meet the standard, a certificate is issued and the operation is allowed to market and label certified raw materials and products.²

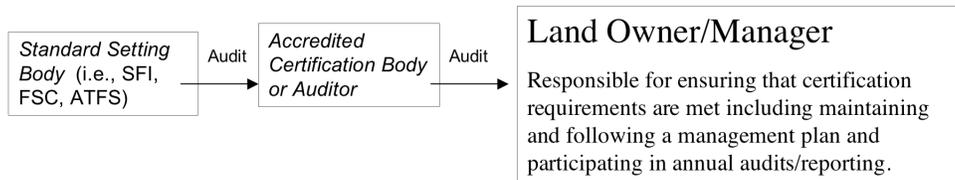
Forest certification is voluntary and offers a variety of potential benefits for land managers, forest product businesses, their customers and other stakeholders.

Forest Management Group Certification

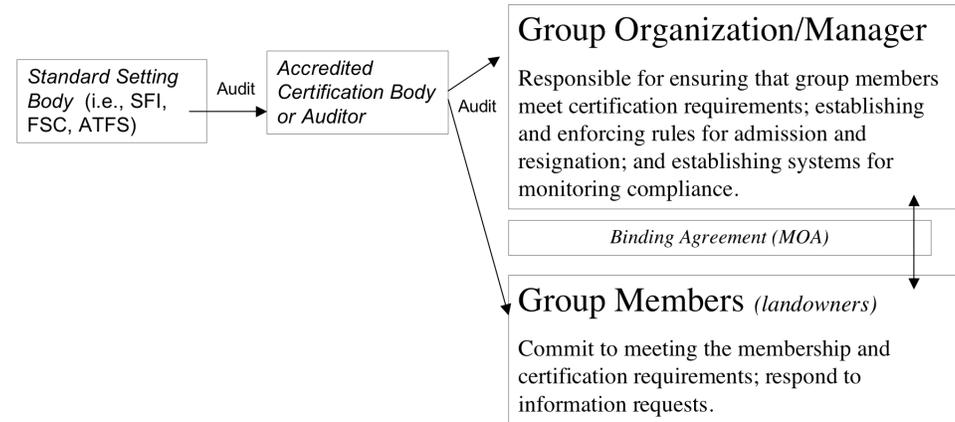
Group certification is similar to single participant certification in that the forest management standards and the assessment and auditing processes remain essentially the same. The most notable distinctions occur in the distribution of certification roles and responsibilities. In essence, with a group certificate, responsibilities are divided between the “group manager” and the “group members.” The certificate holder for the group is the “group manager” who is accountable for overseeing and documenting the activities of the landowners who are the “group members”. These roles and responsibilities are illustrated in Figure 1.

Figure 1.
Single Certification Structure and Group Certification Structure

Single Certification Structure



Group Certification Structure



² For information about specific forest certification standards and auditing processes, please see previous Dovetail Reports, available at <http://www.dovetailinc.org>

The American Tree Farm System (ATFS) and the Forest Stewardship Council (FSC) offer group certification options for small landowners in the United States. There are 11 ATFS group certificates encompassing more than 3 million acres, including the approximately 2 million acres enrolled in the Wisconsin Managed Forest Law (MFL). Examples of ATFS group certificates are presented in Table 1. In 1995, the SmartWood Program pioneered the Resource Manager Certification model that was subsequently recognized by the FSC for group certification. Also, as mentioned in previous Dovetail Reports, FSC has a specific program for small properties.³ There are 41 FSC group certificates in the U.S. representing about 635,000 acres of private lands. An additional FSC group certificate includes 1.08 million acres of public land from the Wisconsin County Forest Program. Examples of FSC group certificates are listed in Table 2⁴.

Table 1.
Examples of American Tree Farm System (ATFS) Group Certificates

Name	Location	Acres
F&W Forestry Services	VA to TX	600,000
Small Woodland Owners Assoc of Maine	ME	18,000
American Forest Management LLC	GA, SC, & VA	215,000
Stora Enso North America	WI	1,847
The Langdale Family	GA & FL	200,000
Wisconsin Managed Forest Law	WI	1.9 million
Grossman Forestry Tree Farm Group	MI	42,000

Table 2.
Examples of Forest Stewardship Council (FSC) Group Certificates

Name	Location	Acres
Vermont Family Forests	VT	7,203
New England Forestry Consultants	NH	3,764
Aitkin County Soil & Water Cons. District	MN	1,569
Gary Paul Consulting Forester	CA	7,109
Foresters Incorporated	VA	7,062
Fountain Forestry Incorporated	VT	109,997
Northwest Natural Resource Group	WA	2,770

³ More information about FSC's Small-Low Intensity Managed Forests (SLIMF) Program is available at: <http://www.fsc.org/slimf/>

⁴FSC is an international program and globally there are approximately 90 FSC group certificates in total.

Establishing and Managing a Forest Management Group Certificate

The Group Manager

The essential ingredient for establishing a forest management group certificate is the presence of an entity that is willing and has the resources to fulfill the role of “group manager.” This entity may be a private or public organization or individual. Examples of existing group managers include private consultants, non-profit organizations, and government agencies.

The group manager is responsible for three major tasks: 1) establishing the membership guidelines and operating procedures for the group; 2) recruiting and managing the group membership; and 3) meeting and maintaining the certification standards in partnership with the group members.

In practice, group managers will frequently develop a handbook or operations manual that outlines the management of the group certification effort and that more fully defines roles and responsibilities. This handbook includes guidance on landowner eligibility, record keeping protocols, management planning templates and guidance, and an overview of the certification requirements. To ease the development of these guiding documents for new group certification efforts, several examples are available from existing group certificate holders.⁵ A complete guidebook including model documents for an FSC group certificate is also available.⁶ The American Tree Farm System offers a template *Manual for Group Organizations* for purchase.⁷

The Group Members

A second necessary ingredient for establishing a forest management group certificate is the identification of the target group of landowners who will be eligible and invited to enroll in the group certificate. In many instances, the group to be certified may be defined by a previously established landowner program or association. For example, landowners who have enrolled their property in Wisconsin’s Managed Forest Law are eligible for the state’s Tree Farm Group Certificate. In other regions, private consultants have established group certificates by offering memberships to existing clients and recruiting new clients based on group certification being available as a new service. Landowner groups, associations, and cooperatives have also established group certification programs for their members.

Certification Process

After identifying and defining the roles of group manager and group members, the certification process is much the same as with a single certificate. Group managers are responsible for applying for the certification assessment and preparing or gathering the information requested by the auditors. Group managers may choose to begin with a pilot

⁵ For examples of operations manuals for managing FSC group certificates and other group certification resources, visit: <http://www.dovetailinc.org/groupcert.html>

⁶ Group Certification for Forests – A Practical Guide. ProForest 2002
<http://www.proforest.net/objects/publications/GroupCert.pdf>

⁷ <http://www.treefarmssystem.org/cms/pages/40.html>

group of members for the initial audit with a broader invitation to landowners being issued after the certificate is awarded. To increase the likelihood that the group will meet the certification standards, it is important that the group manager and members are able to demonstrate a track record of forest management performance and a capacity for record keeping as required by the standard. If the group manager has developed an operations manual and policies for managing the project, the group manager will need to demonstrate how these policies have been implemented. After a certificate is issued, the group manager must work with group members to ensure that adequate chain-of-custody processes are in place to track harvested products and verify their certification status as they are marketed. The FSC requires annual audits of group certificates and the ATFS requires annual reporting.

Benefits of Forest Management Group Certification

Besides offering the benefits associated with certification in general, group certification offers two additional and potentially significant benefits. For one, group certification can help strengthen and formalize the relationship between forest management service providers and family forest owners. Although strong forester and landowner relationships can and do develop in the absence of certification, certification requires greater clarity and commitment to the objectives that landowners identify for their properties and the plans that they develop with a forester to accomplish those objectives. With the record keeping formalities and annual reviews associated with certification, there is increased continuity in the communications between the group manager and group members. This communication helps strengthen the relationship and builds opportunities for management activities to be implemented. Closely related to this social benefit of group certification is the second benefit, which is increased accountability. One of the clear requirements of forest certification is that management plans be established for the certified properties and, even more to the point, that managers can demonstrate the plans are being followed and implemented. Providing a mechanism for greater accountability in plan implementation is a significant opportunity offered by certification and provides benefits for both the group managers and the group members.

Both foresters and landowners will sometimes complain about inadequate management plan implementation. Foresters may complain that they don't have the time or budget to follow through and assist landowners with implementing the plan they have just written; and landowners may complain that after the plan is finished, the forester disappears and they don't know where to begin. With the formalized commitments and annual reviews of forest certification, this kind of breakdown in management and communication can be reduced. Foresters involved with group certificates report that the certification process has created an opportunity to increase the urgency and commitment to plan implementation and, in some cases, has spurred investment in management planning tools, such as a GIS or database driven system, that enhances the tracking of scheduled practices. The accountability and performance measures of certification can help agencies demonstrate the impacts of their programs. Furthermore, because forest certification includes a review by an independent third-party there is greater credibility in the findings and greater likelihood they will be viewed as unbiased assessments of performance.

Expanding the Opportunities

Previous Dovetail Reports have outlined the ATFS and FSC systems⁸ that are available to family forest owners as well as the research efforts⁹ that have been undertaken to explore the expansion of family forest certification opportunities. As these previous reports document, significant efforts have been underway in recent years to engage family forest owners in certification. The recent efforts focused on expanding group certification offer the potential to dramatically increase the number of participating landowners and the amount of family forestland that is certified in the United States.

Opportunities for “Super Groups”

To date, most group certificates, especially FSC group certificates, have been for relatively small pools of certified lands (i.e., less than 50 group members and/or less than 100,000 acres). The Tree Farm Group Certification of the Wisconsin Managed Forest Law (MFL) participants in 2005 was a significant breakthrough as an example of the opportunity for certifying “super groups” of small landowners.

The MFL program was certified under the Tree Farm Group Certification Program in June 2005. The MFL–Tree Farm Group includes more than 2 million certified acres representing nearly 38,000 forest parcels and is the largest certified group of family woodland owners in North America. The program averages 105,000 acres of timber harvests per year, providing an estimated 713,000 cords of pulpwood and 47.6 million board feet of sawtimber annually.¹⁰

A group of this size and with this amount of management activity represents a significant contribution to the health of the forest ecosystem and the forest based economy, yet certifying a group of this size also creates specific technical challenges within the existing certification structures.

Before completing Tree Farm certification, the Wisconsin Department of Natural Resources first completed gap analyses for both Tree Farm and FSC standards. The reports resulting from these gap analyses helped identify the challenges related to certifying the program and may be similar to needs for certifying other groups of this size (Table 3).

Following the completion of the gap analyses, the Wisconsin DNR proceeded with Tree Farm Group Certification in 2005. Subsequently, in 2007, the Wisconsin Council on Forestry decided to pursue a full FSC Group Certification assessment for the MFL Program with the goal of having the program jointly Tree Farm and FSC certified.

⁸ *Family Forests, Tree Farm, and FSC*. Available at:

<http://www.dovetailinc.org/reports/pdf/DovetailATFSFSC102004nn.pdf>

⁹ *Innovations in Family Forest Certification: What's Happening and What's Needed*. Available at:

<http://www.dovetailinc.org/reports/pdf/DovetailFForest0506gc.pdf>

¹⁰ Based on 2000-2004 data.

Table 3. Summary of Findings from the MFL Preliminary Assessment Reports

Potential Gaps Identified in the Tree Farm Gap Analysis Report	Potential Gaps Identified in the FSC Pre-Assessment Report
<ul style="list-style-type: none"> • Administrative modifications to written policies and procedures to establish the Wisconsin DNR as a Group Organization and Group Manager • Process to ensure that group members have their field practices inspected by an accredited Tree Farm Inspector • Process to ensure that certified properties are audited every five years • Process for landowners to explicitly affirm that they comply with all relevant laws and that they will correct conditions leading to adverse regulatory actions • Enhanced monitoring of management activities to ensure they are conducted in accordance with the plan 	<ul style="list-style-type: none"> • Protocols to define and administer a FSC certified group • Communication strategies for clarifying eligible versus ineligible properties • A written overview of the approach for assuring conformance to FSC Principle 9, High Conservation Value Forests • Periodic summary reports of monitoring and oversight activities. • Documented stakeholder consultation activities • Demonstration of adequate funding and staffing for the MFL program • Additional steps aimed at achieving a higher level of consistency in program oversight, across regions and counties • Records and policies on pesticide usage • Chain-of-custody procedures to assure that logs harvested from certified group members are represented in the marketplace as “FSC certified wood.”

Similar to Wisconsin, several other states have undertaken efforts to develop large group certificates for family forest landowners.

- The Indiana Department of Natural Resources’ Classified Forest Certified Group Program¹¹, including over 8,300 properties representing nearly 410,000 acres, completed a Tree Farm Group Certificate in 2006,
- The Massachusetts Department of Conservation and Recreation is currently pursuing an FSC group certificate for approximately 5,200 landowners totaling about 360,000 acres¹², and
- The Minnesota DNR completed a preliminary internal evaluation of the statewide Stewardship Program, including more than one million acres of forestland, in comparison to both the Tree Farm and FSC requirements in 2006 and has secured funding to pursue third-party certification for private landowners in the state.

As these states have pursued group certification, several challenges to the growth of large group certificates have been identified. Some challenges are related to meeting the standards themselves, as illustrated by the Wisconsin MFL gap reports. There are also considerations related to the auditing process and administrative requirements.

¹¹ <http://www.in.gov/dnr/forestry/pdfs/classified.pdf>;
<http://www.in.gov/dnr/forestry/index.html?http://www.in.gov/dnr/forestry/privateland/clasfor.htm&2>

¹² SmartWood, Notifications of Forests Under Evaluation, Massachusetts Department of Conservation and Recreation, May 2006. http://www.rainforest-alliance.org/forestry/documents/mass_dcr.pdf

Key challenges and specific opportunities to make systemic modifications within the certification programs that could encourage the expansion of group certification are summarized in Table 4.

Table 4.
Opportunities to Expand Group Certification to Address Super Groups

Challenge	Opportunity
<p>Sampling Intensity During Assessments & Audits</p> <p>Current Tree Farm guidance suggests a sample size of the square root of the pool. Current FSC guidance encourages a 30% sample for groups with less than 100 members and provides flexibility for auditor discretion for groups with more members.</p>	<p>Sampling intensity requirements and guidance to auditors needs to be refined. Certification programs (and accreditation bodies) need to provide additional recommendations to auditors for how to evaluate risk, determine sample size and select methodologies for groups with large memberships. Some generalized guidance is already available but additional clarity would enhance consistency in the application. The identification of specific mechanisms for sampling (e.g., additional document review) in addition to standard field site visits would provide greater flexibility to auditors. Sampling requirements could also be reduced during the life of the certificate if the performance warrants it.</p>
<p>Group Member Visits</p> <p>Tree Farm requires properties to be reviewed by qualified Tree Farm Inspectors and audited on a five-year cycle. The FSC instructs the group manager or certification body to visit each property at least once within the 5-year period of the certificate.</p>	<p>Visiting all properties on a five-year return interval may be infeasible with large groups and may provide little value when no active management is occurring. The certification requirements should be modified to reduce the requirements for site visits and to recognize written and/or verbal communications with group members as a means of verifying the current status of the property.</p>
<p>Opt-In Requirements</p> <p>Current group certification policies prefer that landowners be required to “opt-in” to the group certification program, including a formal acknowledgement of participation.</p>	<p>Allowing for an “opt-out” approach to membership is more compatible with the certification of large existing groups of landowners. Group managers could still be required to demonstrate effective communications to group members that inform them of their obligations and of their right to decline to participate. New group members could be recruited through an opt-in or sign-up method.</p>

Sources of information include: *American Tree Farm System Group Certification Process – Manual for Group Organizations, Group Managers and Group Members, American Forest Foundation Standard, 2004-2008 Edition*; *FSC-STD-20-007 Forest management evaluation V2-1*; *FSC-STD-01-003 V1-0 SLIMF Eligibility Criteria*; *FSC-POL-20-001 Group Certification – Guidelines for CBs*; *FSC-STD-20-005 Forest pre-evaluation visits*

Next Steps

As discussed in the previous Dovetail Report on the topic of family forest certification¹³, there are four primary areas where work is needed to engage more small landowners. Identified in a policy brief from the Institute for Global Environmental Strategies¹⁴, the four measures to improve the accessibility of forest certification for small operations are:

- 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.

Progress continues to occur in these four areas. The new group certification initiatives by the various statewide organizations are helping define and overcome the challenges of certifying large groups, and the potential for more and larger groups will likely continue to grow. Perhaps at some point there will be a real possibility to establish a national scale group certification program. One starting point for this may be to take another look at the Forest Stewardship Program overseen by the USDA Forest Service. The program 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, including private forestry

ATFS Recognizes Family Forest Stewardship Plans Approved by DNR as Meeting Certification Requirements

Aug. 30, 2007 - Washington, D.C. - The Washington State Department of Natural Resources and the American Tree Farm System® (ATFS) announced today that ATFS certification universally recognizes DNR-approved multi-resource Forest Stewardship Plans as meeting management planning requirements for family forest landowners.

"ATFS recognition of the Forest Stewardship Plans will expedite the process for landowners interested in applying for certification. This should strengthen the public's confidence that wood from Washington's family forests is grown and harvested in an environmentally responsible way," said Doug Sutherland, Commissioner of Public Lands.

Bob Simpson, Senior Vice President, American Forest Foundation, the Tree Farm programs parent organization, echoed these sentiments. "This recognition will open the door for thousands of Washington's family forest owners seeking affordable certification of their forest management, allowing them to stay competitive in today's shrinking global economy," said Simpson.

<http://rs6.net/tn.jsp?t=a5n8cecab.0.amwzcecab.4eo4m4bab.360&ts=S0270&p=http%3A%2F%2Fwww.forestfoundation.org%2F>

¹³ *Innovations in Family Forest Certification: What's Happening and What's Needed* Available at: <http://www.dovetailinc.org/reports/pdf/DovetailFForest0506gc.pdf>

¹⁴ 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>

consultants. The partnering organizations agree to program guidelines including the format for the Forest Stewardship Plans, record keeping and reporting requirements. The Stewardship Program has resulted in the development of more than 240,000 management plans that cover more than 27 million acres.¹⁵ In 2005, the Pinchot Institute completed a certification evaluation of this program¹⁶, and in 2007 the ATFS officially recognized Stewardship Plans as meeting their certification requirements (see sidebar). Perhaps it is time to revisit the possibility of a national approach to third-party certification for family forest owners that builds upon an existing super group such as the landowners already participating in the Forest Stewardship Program.

The Bottom Line

Group certification is a mechanism for achieving economic and operational efficiencies by issuing a single certificate for a pool of participants. In the United States, there are nearly 10 million family forest owners. It appears that group certification approaches are the most likely mechanism for engaging these small owners and their lands in forest certification opportunities. Current efforts to develop “super groups” may create opportunities to greatly expand landowner participation in certification. However, these large groups also face unique challenges that may need to be addressed within the standards and the guidance that is used in the auditing process. As experiences with large groups further develop there may be an opportunity to revisit the possibility of a national scale forest certification program for family forest owners in the United States.

¹⁵ <http://forestry.nacdn.net.org/forestrynotes/Dec05/FSP-SpecialReport.htm>

¹⁶ 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

This report was prepared by
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