The Forest Certification Experience

a commentary by Dovetail Partners February 2021

Last month, Dovetail released a <u>report</u> providing an update on the status of forest certification. This month, we offer the perspective of team members with direct experience as certificate holders.

Mark Jacobs, retired land commissioner for Aitkin County, Minnesota was responsible for managing an FSC (Forest Stewardship Council) forest management certificate for over 220,000 acres from 1997 to 2018. These were among the first third-party certified public lands in the U.S. and the first county-managed lands to be FSC certified. During his tenure, Mark also served on several standards setting working groups, participated in field testing of standards, and mentored other land managers in becoming certified.

Harry Groot, owner/operator of Next Generation Woods (NGW) in Hiwassee, Virginia is a family forest owner whose lands were certified through a group certificate from 2005-2014. The family farm consists of 110 Acres in the Blue Ridge Mountains, with 90 acres of mostly hardwood forest. NGW also held a chain-of-custody certificate independently from 2008-2014 for its lumber, timber framing, and custom flooring and millwork products. In addition, Harry worked with Dogwood Carbon Solutions LLC on a forest carbon project in the middle Appalachians during 2009 and 2010 where, in 18 months, 65,000 acres of private forestland was aggregated. Those lands were to be FSC certified to qualify for sale of their credits on a 100-year contract. The collapse of the Carbon Credit Exchange in 2010 ended the project before any credits were sold.



Q. Why did you participate in certification, and what was your general experience?

Harry: We first certified our forestland with FSC because we believed in supporting the only system (at the time) which really highlighted active forest management yet reflected all the aspects of that practice (social, economic, and ecological). We had been active managers since acquiring the land in 1982, and advocated sustainable management, but were largely voices in the wilderness. Certification allowed us to verify we were practicing what we preached.

Our farm was FSC certified via a group certificate for about 10 years until the economics became too cost-heavy to continue. The cost went from less than \$200 dollars a year with the group certificate to over a thousand without it. We also held a COC certificate for our wood products company to provide a marketing advantage for our products. The cost was only a few hundred dollars a year since we could have our annual inspection at the same time as our forest certificate. Being small and 100% FSC made a big difference to our ability to market and sell products - so I was a big advocate initially. We worked with another COC firm in Charlottesville which represented a host of "green" building products and targeted LEED certified projects on the Eastern Seaboard. It went well for us until the certification of mixed products and credits came

available, at which point FSC certification lost much of its value (in my opinion).

The credit system attracted more and more companies to sell credited products, which they did, but at commodity prices which we were unable to meet. We shifted to simply marketing the fact we sourced from sustainable forestry and were more "local" than LEED's 500-mile radius allowed. That was sufficient to make adequate sales without the expense of formal certification. By the time we had dropped our certification, we had established a track record and must give credit to the time we were certified for building our reputation.

Mark: When we embarked down the certification path (in 1997) it was about finding a set of meaningful standards that could illustrate that we were taking good care of the forest. We felt that it was valuable for our constituents (local community) and could lead to a "label" that could add value to our forest products. I cannot honestly say that either of those objectives were met to my satisfaction. The consumer, who was supposed to be the key to success, has been absent from the discussion. The mixed messages sent by the competing stakeholder agendas has basically eliminated consumers from the process. The marketing success of certification has been driven by corporate image; use of certification as part of an environmental portfolio.

Q. How has certification changed?

Mark: After going through 20 or so audits and twice being the "guinea pig" for standard testing, there is a lot that can be said about how certification has evolved. There is no question that certification has raised the bar on forestry in the Lake States region, but gradual changes are creating a sort of "stagnation" and my sense is that interest in certification is wavering.

In my opinion, one of the most significant changes is regarding the audit process. Initially, certification was a "baseline" to identify and ultimately reward exemplary forest management. It seemed to acknowledge and encourage creativity and innovation to facilitate continued improvement.

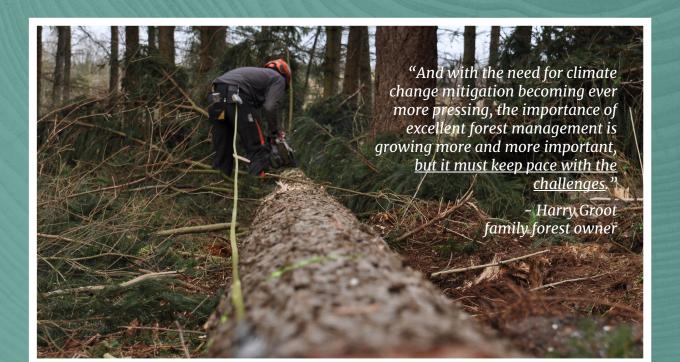
Due in part to concerns about potential inconsistent auditing, it has now become more of a rigid template designed to serve as a goal to be achieved, rather than a baseline for excellence. The incentive for creativity has been replaced by a list of things required to pass the audit. Continued improvement is relegated to periodic updates to standards – which are driven by "special interests".

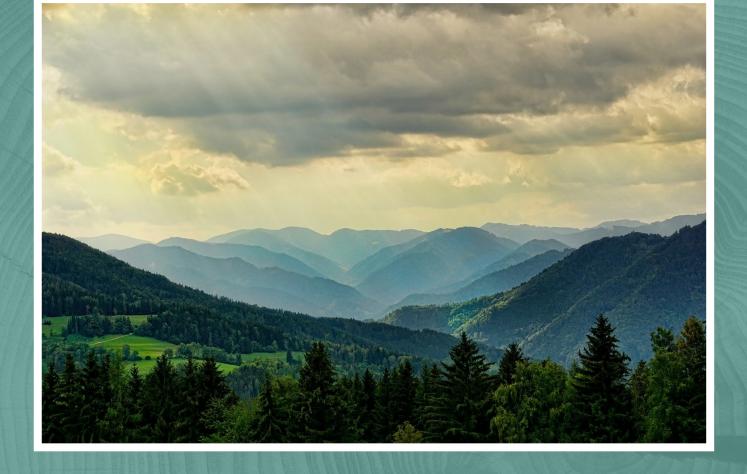
Harry: Since letting our certification lapse because of the credit system FSC implemented, I have not closely tracked FSC. However, it has

seemed over time, that SFI (Sustainable Forestry Initiative) ate its lunch in the U.S.! The tie-in of ATFS (American Tree Farm System) with PEFC (Programme for the Endorsement of Forest Certification) and with SFI made those systems much more accessible, and here in the Appalachians, where FSC was never widely accepted by foresters nor the forest products industry, those certifications were much easier to access, cheaper to implement, and resulted in much less hassle as a landowner.

What I have seen of the FSC system over the years is their plodding process of making changes. It is a great system globally, in that it seeks consensus across a wide range of cultures, political systems, forest types, and ecological systems. However, that process is also painfully slow for businesses which must adapt to their own changing conditions in real time.

At this point, I'm happy to see the general idea of certification as a tool to ensure good active management, but I think the sentiments presented in the report are spot-on as a critical perspective for what's needed to keep it relevant and expand it. And with the need for climate change mitigation becoming ever more pressing, the importance of excellent forest management is growing more and more important, but it must keep pace with the challenges.





Q. Who are the stakeholders for certification?

Mark: The answer, in my opinion, is "it depends.' Each individual audit/assessment has a stakeholder consultation process that is not consistently productive or meaningful. But at the standards development level, stakeholders are predominantly special interest groups, such as timber interests and environmental advocacy groups. Consumers, the folks that are supposed to drive the demand for "green certified" forest products, are not involved and largely not aware. The evolution of the standards reflects the on-going battles of the interest groups.

Harry: Ultimately, everyone is a stakeholder! In this age of climate change because of centuries of natural resource exploitation, we all have a hand in the result. For forestry certification specifically, the landowners and active managers of forests are the front-line stakeholders. But industry – as a consumer of the harvested timber and associated non-sawtimber products – have a significant responsibility in ensuring appropriate forest management. At the end of that consumption chain are the consumers of wood products (and nontimber forest products) who must also insist on sustainable systems (with respect for the triple bottom line). Finally, policy makers have a huge influence if they have the will to accept that responsibility. Laws and regulations, as well as local, regional, and national purchasing decisions, can influence on-the-ground actions significantly. I think that covers everyone as a stakeholder! It is a big tent, and may be unrealistic in its comprehensiveness, but that is how I see it.

Q. What would you like to see happen next with certification?

Harry: As a small forest landowner and as a practitioner and advocate of "good" forest management (and certification) I have long been frustrated by the lack of consideration for those of us with small holdings. It is satisfying but sad to hear from Mark - a larger land manager who has experienced similar frustrations. When you consider what Wendell Berry calls the need for "more eyes per acre" to provide the land with the best care, we smallholders provide a high quality resource for excellent forest management. I know every tree, dip, and swale of my hundred acres, and I have heard landowners in South and Central America, and in Africa make similar statements because "when you ain't got much, you gotta really do your best with every bit of it." I would like to see recognition of eyes per acre and some accommodation for a relative measure of effortper-acre devoted to excellent forest management.

In the bigger picture, there needs to be more recognition for excellent forest management and an increasing intolerance for poor forest management.

This means more education about forest's importance to everyone. The 2018 IPCC

(International Panel on Climate Change) report recognized forestation and afforestation as the world's best and cheapest way to sequester carbon. Given that human extinction is not an unrealistic consequence of the changing climate, a high priority is attention devoted to our global forests, their management, and the products we derive from them. Certification is a way to ensure those priorities, and to do so requires certification systems to grow and evolve to meet current and future needs. That means support at the policy level, with funding streams to create a responsive system. And there must be a broad understanding of the importance of forests, including the role certification plays in maximizing forest's benefits to humans (and all living things).

Mark: I would like to see a return to a "criteria" based system where there is leeway to meet the standards based on creative solutions, instead of the current "indicator" based system that tries to pre-define everything. Our forests will be facing major challenges in the next century and we will need creative solutions representing many voices not just a few that show up. Based on current trends I do not believe that certification will be the vehicle to accomplish this task.

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