

Branding and Marketing Tribal Forest Products March 1& 2, 2011 Seattle, Washington

Certification Opportunities



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Providing A Balanced Approach to Resource Management

Certification Overview

- **A Two Part Presentation**
- **A Tribal Certification System**
- **Opportunities to Increase Stumpage by Improving Timber Sale Administration Procedures**

Certification for Tribes

- **Based on:**
- **Rigorous Standards Already in Place**
- **Unique to Tribal Culture & Environment**
- **Certification can be used for Forest Management and Chain of Custody for Products**
- **Recognition that Forest and Products are managed Sustainably**

Tribal Certification

- **Take a Look at Tribal Certification Systems**
- **How it may be Implemented**
- **What Would it Affect**
- **How does Certification and Labeling fit**
- **Why Tribal Certification Program as Opposed to Existing Standards**

Certification an Introduction

- **First Wood Labeling in Europe 1637**
- **Recently Wood and Forest Certification 1990**
- **Written Certification Issued by Third Party**
- **Credible Guarantee Product Comes Environmentally, Socially and Economical Sustainably Managed Forest**
- **Forest Certification started for Concerns over Tropical Deforestation**

The Certification Process in Place Today

- **Multi-faceted Process involving retailers, consumers, producers, mills, NGO's, and certification systems**
- **Standards to Assess Applicants**
- **Certification Process and Rules Regulating Certificates and Labels**
- **Certification Body and Accredited Independent Third Party Auditors**

Certification Schemes

- **Forest Management Certification**
 - **Forest Management Planning, Inventory, Harvest, Silvicultural Practices, Roads, all On the Ground Operations**
- **Product Certification**
 - **Tracking of Timber from the Forest to Final Consumer**
 - **Includes Supply Chain as Transportation, Storage, Processing and Distribution**
 - **Process is Known as Chain of Custody**

How Is Certification Conducted

- Registrar's or Certification Bodies
- ANAB –ISO Registrar's
- Monitor Auditing Protocols
- Audit Your Management Operations
- Issue Certificates
- An Independent Assessment

Who Conducts the Audits

- **Who are the Auditors**
- **Audit to a Standard**
- **Consistency**
- **Auditor Certification**
- **Registrars-Certification Bodies Hire Auditors Based on Experience and Background**
- **Example of an FM Audit Process**

Why Certification for Those Who Have Implemented

- **Market Premiums Vary**
- **Improve Market Share**
- **Approval of Quality or Product Assurance**

Many Feel it is the Cost of Admission

- **Expected if You Want to Play the Game**
- **Social Responsibility**
- **Public Awareness**

- **Large Lumber/Pulp Purchaser look at:**
- **Shipping Schedules (on time)**
- **Quality and Price all Being Equal**
- **Certified Wood Makes the Sale**

Comparison of Existing Certification Standards

- SFI-Sustainable Forest Initiative
- SFI- 181 million acres in North America

- FSC-Forest Stewardship Council
- FSC- 21 million acres North America, 90 million globally

Comparison Points

- **FSC/SFI both are non-profit charitable Organizations**
- **Both have a Board of Directors that address Environmental, Social and Economic Chambers**
- **The Criteria and Indicators are Process (includes a system component) and Performance based (on-the-ground verifications).**

SFI, Inc.

SFB - 18 Member Sustainable Forestry Board

6 Environmental

6 Economic

6 Social

SFI External Review Committee

15 Distinguished
Experts

SFI Standard



Major Differences in Certification Standards

- **FSC based on Stakeholders input for what Responsible Forest Management Means**
- **SFI is based in applicable forest science and is Peer Reviewed by an Independent External Review Panel**
- **FSC supports longer rotations, retention of old growth and to minimize allowable harvest**
- **SFI allows management as a regulated forest as long as it meets legal requirements and protects biodiversity needs as understood by the peer reviewed science**

	FSC Draft 8.1 in Review	SFI 2010-2014 Program
Principles/Objectives Criterion/Performance Measures Indicators	10 Principles 57 Criteria 190 Indicators	20 Objectives 39 Performance Measures 115 Indicators
Requirements Where a Certificate Cannot Be Issued	Major Non-Conformance and Fatal Flaws are a barrier to Certificate	Must Receive a Major Non-conformance
Cost of Internal Audit	Cost of Initial FSC Audit for approx 100,000 acres will range from \$22,000-\$30,000	An Initial SFI Audit for approx 100,000 acres will range form \$12,000-\$15,000
Cost of Annual Surveillance Audits 100,000 acres	The cost of the annual surveillance would be \$7000- \$8000 depends on the amount of activity	SFI Annual Surveillance would be \$4500-\$6000 and depends on the amount of activity

Social & Political Realities

- **FSC has Higher Public Recognition even though it has far fewer acres Certified in North America**
- **LEEDS is being Challenged by other Certifications as to Why only FSC has Additional Points for Green Certification**
- **The Reality of on-the-ground Resource Protection of water, soil, wildlife and long term responsible sustainable management is not evident between the Standards**

Forest Management Protocols

- **FSC/SFI on Forest Management requirements are very similar on many Indicators**
- **Both protects resources and the differences can be summarized as to how much protection is enough**
- **Are the protection measures effective and economically reasonable**
- **Is there a balance between the social, environmental and economic considerations**

	FSC	SFI
Management Plan, EA and Transportation Plan	A detailed Management Plan, EA and Transportation Plan is required.	An EA is not required, Management Plan and Transportation plans are less rigorous and are addressed through the BMP/silvicultural programs
Biodiversity, Old Growth, Harvest levels and High Conservation Value Forest (HCVF)	Detailed documents and directives are required for harvest levels, old growth and HCVF	These issues are addressed in Programs and Policies and through monitoring BMP compliance
Public Stakeholders Input Process	Public input is required and can take considerable staff time to meet the public input requirements	Public involvement is encouraged but not required in forest management operations
Monitoring Program	Detailed documentation on monitoring is required with metrics on results	Monitoring is conducted through inspections and BMP compliance results

Chain of Custody Protocols (CoC)

- **FSC/SFI both provide CoC certification and on-product labels**
- **Both have requirements to avoid fiber from unwanted sources (illegally harvested sources)**
- **CoC requires that you track the product from its source through the supply chain to the end user.**

Chain of Custody Certification for Forest Products



Chain of Custody

- **SFI, FSC, or PEFC certified products.**
Chain-of-Custody is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.
- **Verifiable traceability of wood fiber from sustainably managed forests to the product shelf.**
- **Example CoC Audit Process**

CoC Documentation Requirements

- **Written Procedures which address the elements of the CoC**
- **CoC Training Records**
- **Information Systems - inventory, tracking, billings**
- **Invoices & Shipping Documents**
- **Results of Internal Audits**
- **Consumption & Production Data**
- **Customer Feedback/Complaints System**

International Marketing Considerations

- **FSC is internationally recognized for Forest Management and CoC**
- **SFI is internationally recognized through the Program for the Endorsement of Certification (PEFC) and Canadian Standards Association (CSA)**
- **CoC Certificates in North America**
 - **SFI 807 Certificates**
 - **FSC 4258 Certificates**

Green Building

- **US Green Building Council (USGBC) 501c3 non-profit organization**
- **Leadership in Energy & Environmental Design (LEEDS) Green Building Rating System of USGBC**
- **Green Globes is a software based on line Green Building Certification in 1996, UK & Canada**
- **Green Globes in the US is run by Green Building Initiative (GBI) a 501c3**

Cost of Green Building Certification

- **The total cost for Green Globes, not including facility improvements, is around \$5,000-\$7,000 (registering the building, and third party assessor verification) for any sized space and recognizes SFI, FSC, CSA and Tree Farm**
- **LEED costs \$12,950 for the process (registration, plus \$12,500 for certification for members) for more than 500,000 square feet and recognizes only FSC at this time**

What Would a Tribal Certification Standard Look Like

- **Certification is Voluntary**
- **Would need to:**
 - **Meet all Federal, BIA, Tribal, Economic, Social, Environmental, and Cultural Requirements**
 - **Address the Criteria and Indicators universally accepted in existing Standards**
- **Can be tailored to fit Tribal needs**
 - **Criteria developed through tribal participation**
 - **Alleviate sensitivities regarding external interference with tribal prerogatives**

Tribal Standard

- **Tribal Standards can be Developed for both Forest Management and Chain of Custody**
- **This will Provide Recognition of Tribal Forest Management Practices and Labeling of Tribal Products through a Tribal CoC Program**
- **Tribal Standards can be recognized on their Own in North America and Internationally**
- **Brand Recognition and Marketing does take time and will require a focused effort**

Forest Management on Tribal Lands and the Quality of Products

- **Older Slower Grown Timber Produces
Finer Grain Wood**
- **Can have Smaller and Less knots**
- **Higher End Value Products means Higher
Prices for the Wood**
- **Larger Marketing Opportunities with More
Products**
- **What Does the Label Mean?**









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How Could it be Accomplished

- **Tribes develop Criteria and Indicators**
 - E.g., Interested tribes would be invited to participate in a Standards Development Committee, administered by the ITC
- **Participating Tribes would adopt standards and undergo independent audits**
- **Certification Recognized by the Federal Government through the Department of Interior**

How Could the Verification and Certificates be Issued

- Verification audits can be conducted by second party (independent audit team) made up of Tribal, BIA and independent auditors
- In this situation the Certificate issued to the Forest Management program or Processing Facility could come from the Federal government or a Tribal recognized entity

Verification can also be Accomplished

- **Using an ISO recognized certification body with certified third party auditors**
- **This would be an independent third party audit of your Forest Management or Chain of Custody Programs**
- **The certificate of successful completion would be provided by the certification body**
- **This would be the highest level of credibility and recognition**

Steps to Certification

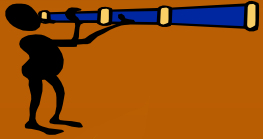
- **Should we continue to explore developing a Tribal certification system**
- **If interests should ITC organize**
- **If yes should a committee be formed to underwrite cost development and promotion**

Increase Stumpage Through Improved Sale Admin

- **What can be done to maximize stumpage/log values**
- **How should forest management and planning timber sales work with the market forces, enterprises, and mills**
- **How do you monitor your marketing and results**

Tribal Timber Sale Layout and Administration

- **Tribal Sale Layout and Implementation**
 - **Inter-disciplinary Team**
 - **Development of the EA**
 - **Review and Evaluate EA for Implementation**
 - **Prepare the FONSI**
 - **Advertise the Sale Package**
 - **Harvest over a time period up to 3 Years**
 - **Generally Requires one to two Years per Sale**
 - **Generally does not allow for multiple sales to be available for changing markets**



- Identify Areas of Need
- Field Reconnaissance
- Develop Recommendations

- Interdisciplinary team
- Public Meeting
- Environmental Assessment



- Sale Layout
- Develop contracts & other documents

TIMBER SALE PROCESS

Sale Closure



- NPTEC & BIA Approval
- Transfer to Forest Products Enterprise

Slash mgt, site prep
Reforestation

Active Harvest



Industry Strategy in Timber Sale Layout and Administration

- **Industry Sale Layout and Implementation (REIT/TIMO's)**
 - **Environmental Checklist by Resource Professionals**
 - **Authorization by Resource Manager to Proceed**
 - **Silvicultural Prescription and Harvest Plan developed**
 - **Timber Sale packages sold by product type**
 - **Sale time frame ranges from 3 to 9 months on a delivered log basis**
 - **Multiple sale areas available to meet market demands**
 - **Focuses on meeting the best prices each year by species**

	Industry Timber Sale Layout Process	Tribal Timber Sale Layout Process
Environmental Assessment	Complete an environmental checklist for sale area	Prepare EA with ID Team, complete public input, prepare FONZI, Tribal and BIA approval required
Type of Sale Advertisements	Primarily delivered log or lump sum stumpage payment for sale	Primarily stumpage sales
Harvest Timelines	Delivered logs are 3 to 9 month sales	Tribal and BIA stumpage sales are generally 3 year harvest contracts
Ability to Respond to Markets	Short layout period and quick harvest response works well to meet market expectations	Tribal BIA stumpage sales are slow and cumbersome and lack ability to respond to market conditions

Steps to Improving Timber Sale Admin and Marketing

- **Want many sales on the shelf or pipeline volume**
- **Alternative procedures for appraisal methods**
- **Must be streamlined and efficient to exploit market opportunities**
- **Integrate Forest Mgt with Marketing**
- **Are correct products removed or utilized with the markets (i.e. thinning)**

Monitor Marketing Results

- Track species and grades by prices and size
- Seasonally prices vary
- As prices improve can you take advantage of the market regardless of season
- Do you have a variety of species and size classes available for sale as market changes
- Compare delivered log sales to stumpage sales results
- Are all markets being utilized locally, domestically and internationally

Steps to Improving Stumpage

- **IFMAT I & II recognized this area for improvement**
- **Should workshops examine the differences**
- **Should a task force be formed**

Branding and Marketing

Tribal Forest Products

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