

Green Certification

and NIPFs:

Where are we headed?



Certification Schemes available to USA NIPF's

- Tree Farm System
- Green Tag (developing)
- Sustainable Forestry Initiative
- Forest Stewardship Council

NIPF Access to Certification

- Individual certification
- Group certification
- Through a certified resource manager
- Other strategies- easements, forest banks

Why NIPF's Might Certify

- Validation of exemplary stewardship
- Management advice
- Market access/Higher prices
- Opportunity to showcase successes.

NIPFs & Industry Ownerships: One Size Doesn't Fit All

- Timber is not the primary objective of most NIPFs.
- NIPFs don't have to feed a mill.
- Most NIPFs are not dependent on their forests for income.
- NIPF decisions are not based wholly on economic criteria.



Is Certification for You?

- Image, credibility, confirmation.
- Ready to respond if market reacts with a price premium.
- Active management and planning – more likely to achieve management goals.
- A process to protect, enhance, and monitor biological functions of the forest resource.

Costs of Certification

- Direct- certification and re-certification
- Indirect- changes in inventory methods, and record keeping, land and resource set-asides, practice changes

Constraints on Market Development

- Limited demand from the mass market
 - buyers groups are where the action is
- Small volumes of product available
 - distribution systems have not developed
 - chain-of-custody complicates situation
 - demand may develop along with supply
 - inability to meet specific market requirements

Constraints on Certification of NIPF Ownerships

- Costs.
- Timber may be a secondary objective.
- Chain-of-custody.
- Certification programs are highly dynamic.

Trends to Watch

- Acceptance of PEFC in Europe
- Growth of the Certified Forest Products Council
- Accounting industry entry into forest certification marketplace.
- Home Depot's entry into certified forest products marketing.

More Trends to Watch

- Evolution of current certification systems
- Harmonization among systems and with forest laws.
- Public land certification

Demand for Certified Forests

The demand for certified certified forests is "derived" from the demand for final certified wood products.

Current Demand for Certified Wood Products

- Final consumer demand is very limited.
- Certified and non-certified wood perceived as fungible commodities.
- Primary players - buyer groups.
- Buyer groups involved in certified wood trade account for more than 20% of the UK's and 50% of Belgium's market for wood products.

Future Demand for Certified Wood Products



Forest Certification in 2525?

Demand Factors:

- Consumer demand for certified products.
- Buyer groups.

Supply Factors:

- Retail outlets push their supply of certified wood products.
