

Certifying Sustainability

Lessons From Forest Industry

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Outline

- Background of SFM Certification
- Recent Trends in Forest Industry
 - Forest Industry in General
 - Specific Issues for Smaller Producers
- Possible Lessons for Agriculture

Sustainable Forest Management -definition

- Management “to maintain and enhance long-term health of forest ecosystems, while providing economic, social and cultural opportunities for the benefit of present and future generations (CSA-Z809-02)

SFM - not just sustained yield

- Ecosystem versus product approach
 - water and soil resources (quality and quantity)
 - biodiversity
 - carbon cycling
- Social and cultural values
 - non-tangible spiritual values (sense of well-being, aesthetics)
 - fair distribution of public good

SFM is not just preservation

- Economic outputs
 - timber and non-timber products
 - market and non-market products
- Sustainable job opportunities and sustainable communities

Sustainable Agriculture - definition

- A broadly accepted definition of sustainable agriculture will extend beyond commodity production and include agro-ecosystems and social concerns
- Managing ecosystems and societal expectations is more complex than managing commodity production

Certification of SFM

- Process to improve forest management
 - Define objectives and make appropriate commitments to achieving them
 - Continual improvement - plan, do, check and improve
- To communicate the results of improved management to society
 - accepted (standardized) performance measures
 - objective measures of intent and outcomes (third party assessments)

Global Drivers of SFM

External Pressures

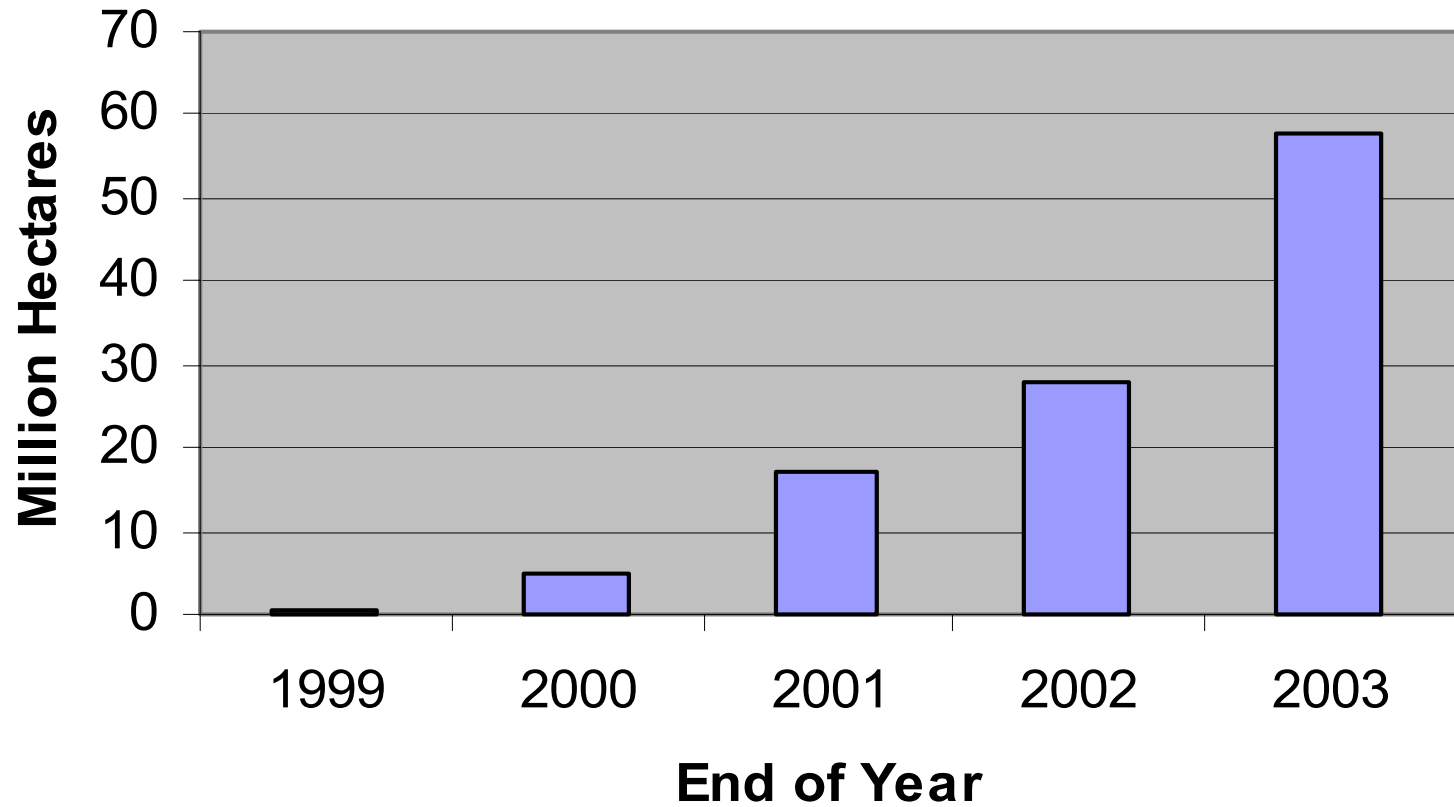
- Environmental activism
 - protests, boycotts and public awareness campaigns
 - Sierra Club battles to stop logging of old-growth forests on west coast of North America
 - Lubicon nation threatens boycott of DMI
- Customers express preference
 - major buyers (Lowe's, Home Depot, Ikea, Time Warner, Staples) declare preference for certified forest products

Global Drivers of SFM

Market Realities

- Consumers aren't sure
 - Most consumers can't identify any certification standards
 - Are likely to think that “certified forest products” have something to do with product quality standards (versus environmental standards)
- “Green premiums” are slim or non-existent
 - Its more about market access (rather than premium prices)

SFM Certification in Canada: 1999-2003



Source: Prepared by Kathy Abusow for FPAC. 2004

Challenges for Woodlot Owners

- Relatively high cost of certification
 - No incentives; no way to pass on costs
- Which standard to consider?
 - May sell to 3 or 4 different companies; each with their own commitments to specific standards
- Current standards don't work well on fragmented forests with multiple owners (objectives)
- Nevertheless some buyers starting to demand “certified” products from private land

Pan Canadian Woodlot Certification Standard

- Under development by Canadian Federation of Woodlot Owners
- Objectives
 - a credible standard applicable to smaller parcels of privately-owned forest land
 - lower cost to individual owners (administration, third party audits)
 - accepted by buyers

Does SFM Reduce Public Conflict?

- Environmental groups continue to challenge forest management practices; when they seem to be “endorsed” by certification, they will challenge the certification standard.
 - Rainforest Action Network launches “don’t buy SFI” campaigns
 - Sierra Legal Defense Fund appeals for suspension of 11 different CSA SFM certificates

So what's the advantage of certification?

- Continual improvement - it's a process
 - research and application of new knowledge
 - raised the bar where the bar was already high
- Producers fully engaged in debate with customers, critics and regulators
 - participate in development and acceptance of standards (rather than have standards imposed by others)

Possible Lessons for Agriculture

- You have no choice but to listen to your customers
- Being part of the dialogue helps manage the expectations
- Be prepared to consider concepts that go beyond sustainable production of commodities
- Expectation of “green premiums” may not be realistic
- Continual improvement - the bar is high already but it can be raised higher