Rainforest Alliance

Innovative solutions for global conservation
Forest Certification

and

Small Forest Enterprises

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Overview of SFE- USA

- 44% of forest land family owned
- Multiple mgt objectives (timber, hunting, aesthetics, investment)
- 60% own < 3.6 ha
- 60% of wood fiber from SFEs
- Increased parcelization of forests and strong market pressure for residential conversion

Butler & Leatherbury 2003, Mehmood & Zhang 2001
SFE Overview- Europe

- Private ownership varies: Portugal (79%) to Poland (1%)
- Avg size varies: Poland (1ha) to Finland (35ha)
- Increasing privatization in EE
- Long history of sustainable forest mgt
- Multiple mgt objectives

SFEs & Marketing

- **Insufficient Market Power**
  -- consolidation of processing facilities
  -- small, intermittent volumes
  -- difficult to sort for specific markets
  -- need for collective or aggregate sales

- **Under Developed Marketing Expertise**
  -- lack updated market information
  -- non-provision of adequate supply data to buyers
  -- sell rather than “market”
Forest Certification Systems

- **America Tree Farm System**

- **Forest Stewardship Council**
  Founded 1993 with 39.3 million ha certified in 2003

- **Pan-European Forest Certification Council**
  Founded 1999 with 48 million ha certified in 2003
Certified Forests by System in the World (Jan 2002)

- FSC: 23%
- PEFC: 38%
- SFI: 17%
- ATFS: 10%
- CSA: 8%
- Other: 4%
- Other: 4%

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FSC FM Certificates Worldwide by Forest Size
(2003 = 536 certificates)
## FSC Certificates by Size and Region

<table>
<thead>
<tr>
<th>Forest Size (ha)</th>
<th>World</th>
<th>N. America</th>
<th>Europe &amp; EE</th>
<th>Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100</td>
<td>12</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>100-499</td>
<td>30</td>
<td>9</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>500-999</td>
<td>40</td>
<td>12</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>1,000-4,999</td>
<td>128</td>
<td>41</td>
<td>54</td>
<td>33</td>
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<tr>
<td>5,000-9,000</td>
<td>84</td>
<td>26</td>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>10,000 +</td>
<td>242</td>
<td>54</td>
<td>97</td>
<td>92</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>536</strong></td>
<td><strong>146</strong></td>
<td><strong>228</strong></td>
<td><strong>162</strong></td>
</tr>
<tr>
<td><strong>%</strong></td>
<td><strong>100%</strong></td>
<td><strong>27%</strong></td>
<td><strong>43%</strong></td>
<td><strong>30%</strong></td>
</tr>
</tbody>
</table>
Barriers to FSC Certification

- Compliance (indirect) and direct costs (assessments and audits)
- Often lack forest mgt plan
- Monitoring requirements
- Complexity of system & language of regulations
- FSC trying to improve via group cert options
Benefits to FSC Certification

- Potential market access & premiums
- Recognition of SFM
- Improved forest mgt practices
- Legitimacy for concession holders
- Recognition as sustainable supplier
Benefits of ATFS Certification

- Free inspections
- Free forest management advice
- On-going forestry education
- Recognition of good forestry practices
- Access to SFI mills and markets
Barriers to ATFS Certification

- Require written mgt plan
- Expanded record keeping
- (non-barrier) - Piloting group certification options
- (non-barrier)- no annual audits
Benefits of PEFC Certification

- Support from owners and industry
- Cost efficient
- Conforms to existing national standards
Barriers to PEFC Certification

- Requires national SFM standards
- Depends on enforced legislation
- Depends on national accreditation bodies
- Weak consumer demand
Application to Tropical Community Forests

- Same SFE market issues PLUS
  - Low volumes
  - Small % of commercial species
- Same FSC Barriers and Benefits
Future Trends & Issues

- Increased integration of wood processing with potentially weakened role for SFE
- Land conversion pressures on SFE
- Shift to non-fiber mgt objectives
- Shift to non-wood products
Future Trends & Issues

- Increased wood imports from other regions (plantation wood)
- Potential merging of forest certification systems
- Divestiture of land by industry in USA
- Increasing privatization of forests in EE