Certified Forest Products Markets 2009-2010

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Overview

- The Highlights and Trends
- Impacts of the Economy
- Non-Industrial and Small Holder Certification
- Chain-of-Custody Certification
- Demand Drivers
- What is on the horizon?
Highlights and Trends

- Global area of certified forest increased by 8% to 355 million hectares, equal to 9% of the world’s forests.
- Most of the recent growth in North America and the Russian Federation.

**Notes:** Data cover all FSC- and PEFC-certified forest land together with land certified under the following large national certification systems: Malaysian Timber Certification System (MTCS), American Tree Farm System (ATFS), Sustainable Forest Initiative (SFI) and Canadian Standards Association (CSA). Data for national systems subsequently endorsed by PEFC (MTCS, ATFS, SFI, CSA) are amalgamated into the PEFC data and not shown separately after the date of endorsement.

**Sources:** Individual certification systems, Certification Canada and authors’ compilation, 2010.
Supply Trends

• The estimated potential global industrial roundwood supply from certified forest amounted to 472 million m³, a 10% increase.

• Certified forests are estimated to account for 26.4% of the world’s industrial roundwood supply, up from 24% the previous year.
## Program Trends

- Programme for the Endorsement of Forest Certification (PEFC)

- PEFC remains the largest certification program (representing $\frac{2}{3}$ of the certified forest area)

- The PEFC-certified forest area increased from 220 million hectares to 225 million hectares
Program Trends

- Forest Stewardship Council (FSC)
- FSC is growing the fastest
- FSC-certified forest area increased from 107 million hectares to 129 million hectares
- FSC has issued 1,014 forest management certificates
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**Note:** CSA has adopted the PEFC on-product label and discontinued use of the CSA on-product label.

**Source:** Fernholz, Kathryn, et al, 2010.
North American Trends

• Shift from CSA to SFI in Canada
• Canada leads the way in certification participation and transparency
• FSC forest management certification in the United States is concentrated in a few regions and on non-federal public lands
Forest cover according to FRA 2000 Map of the World’s Forests 2000

1. Canada
2. United States

- Closed forest
- Open and fragmented forest
Forest Management Certification in Canada

Forest Management Certification in Canada and the U.S.

Sustainable Forestry Initiative (SFI)
Forest Stewardship Council (FSC)

Certified Forests in Minnesota, USA

21% of FSC certified forests in U.S. located in a single state
The PEFC-certified forest area in Europe increased from 54.4 million hectares to 59.2 million hectares.

The FSC-certified area increased from 30.4 million hectares to 34.1 million hectares. (The increase is due primarily to re-certification of areas in Poland and Sweden that had lapsed temporarily in December 2008.)
Trends Outside UNECE Region

- Certified forest area in Australia increased from 8.7 million hectares to 9.9 million hectares
- The area of certified tropical forest declined in Bolivia and Cameroon
- Growth in CoC certification slowed in Japan
- CoC certification in China and Hong Kong SAR increased from 976 certificates to 1,545
Impacts of the Economy

• The economic challenges that many certificate holders are facing increase the potential for existing certificates to be discontinued at the time of annual audits or at the five-year anniversary date.
Non-Industrial and Small Holder Certification

- Requires supporting organizations
- Large group certificates in Europe and N.A.
- The State of Wisconsin, Department of Natural Resources (a public agency, USA) FSC and ATFS group certification programme for 41,865 forest owners; 2.2 million hectares
- In the UK, 480 landowners managing 1.2 million hectares are PEFC group certified through the Forestry Commission and private organizations
Growth continued at an accelerating rate, indicating that trade interest has remained strong despite the recession.

The total number of CoC certificates issued worldwide increased by 88% to stand at 23,717.
Demand Drivers & Innovations

- Paper, publishing, printing and packaging
- Green procurement
- Green building
Demand Drivers & Innovations

- Legislation against illegal logging (Lacey Act)
- The Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreements
- Reduced Emissions from Deforestation and Degradation (REDD)
What is on the horizon?

- Needs for chain of custody improvement
- Challenges to forest certification growth
- New measures of impact are needed (size of companies, number of landowners, etc.)
- Expanded use of the FSC Controlled Wood Standard (CWS) and the PEFC Controversial Sources Policy (CSP)
We’re not done innovating