Section III

Assessing the Benefits and Costs of Certification
Motivations for sustainable forest management are often economic and ecological in nature. Certification provides one means of addressing management goals that are driven by these seemingly disparate interests. It is a mechanism for rewarding well-managed forests, and, as such, certification may generate favorable economic returns due to increased access to the “green” market and the price premiums that some consumers are willing to pay for certified forest products. In terms of conservation, certification offers opportunities for forest landowners to assess the sustainability of their management practices, and it may shed light on areas where improvements could be made.

Misconceptions about certification also affect a landowner’s interest in certifying his/her forestland. Now that forest management certification is gaining wider acceptance, some landowners may feel that they have to certify, which is not the case since certification is voluntary. Related concerns include whether or not area mills will buy uncertified and/or certified wood—and, if certified, then by which program? Additionally, the motivations and credentials of the various certification programs and the auditors they employ will often play a key role in the decision-making process. Most landowners want their personal management goals, and not the certification program’s agenda, to be the driving force behind any management scheme that is proposed for their wood lot. At the same time, they need assurance that any management advice they may receive as the result of an assessment is based on sound science and a professional interest in promoting sustainable forest management.

Potential Benefits

Significant premiums for certified wood products have not yet been widely realized by most certified forest landowners. However, increased market share, market access, and guaranteed outlets for products (evidenced by commitments from large companies such as Lowe’s and the Home Depot to give purchasing preference to certified wood products—see Box 6) have been cited as realized benefits of certification. In addition,
some forest landowners have cut costs by streamlining their management systems as a result of the certification assessment process. Landowners have experienced other benefits of becoming certified as well, including increased pride among peers and improved public relations.\(^\text{12}\)

**Realized Costs**

The various expenses that certification may entail are a primary consideration for landowners deciding whether or not to pursue the certification of their forestland. Before investing in certification, most landowners want to know what benefits it can offer beyond those that might otherwise be realized through an investment in improved management practices, which they could implement on their own.

The cost of certification differs for each program, except in the case of certification under the American Tree Farm System which is free. According to the Forest Stewards Guild’s *Resource Manager Handbook* (2002), however, these expenses generally fall into the following categories (also see Table 2):

- **Scoping:** a pre-assessment evaluation to determine whether or not a certification assessment is likely to be successful. (Offered by FSC. Green Tag will provide a free estimate of cost.)
- **Assessment:** includes document review, field audits, report writing, and processing. Required whether or not a certification is successful. Accounts for the bulk of certification’s cost. (Required by all programs.)
- **Audits:** to monitor compliance with certification. (Required by FSC annually, and fees are paid directly to those organizations that perform the audits. Green Tag and the SFI program require periodic audits but not necessarily on an annual basis.)
• **Program Membership:** see discussion of Membership Fees below.

• **Reassessment:** to renew certification. (For FSC and the SFI program, reassessment costs are similar to those paid for the initial assessment. The costs of renewing Green Tag certification vary but are typically less than those required by the initial assessment.)

### Table 2: Costs of Certification<sup>b</sup>

<table>
<thead>
<tr>
<th></th>
<th>American Tree Farm System</th>
<th>FSC</th>
<th>Green Tag</th>
<th>SFI Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>$0</td>
<td>$75-$300/year</td>
<td>$25/year</td>
<td>Variable</td>
</tr>
<tr>
<td>Scoping</td>
<td>N/A</td>
<td>Variable</td>
<td>$0</td>
<td>Variable</td>
</tr>
<tr>
<td>Assessment</td>
<td>$0</td>
<td>Variable</td>
<td>$0.10-$1.25/acre</td>
<td>$0.10-$0.20/acre for landholding companies</td>
</tr>
<tr>
<td>Registration</td>
<td>N/A</td>
<td>N/A</td>
<td>$150</td>
<td>N/A</td>
</tr>
<tr>
<td>Follow-up Audits</td>
<td>$0</td>
<td>Variable</td>
<td>Variable</td>
<td>Variable</td>
</tr>
</tbody>
</table>

### Membership Fees

Green Tag certification requires membership in the National Woodland Owners Association, which costs $25 annually. SFI program certification is a requirement of all AF&PA members, and AF&PA membership is based on a graduated scale according to the type (industrial or non-industrial) and size of the organization. SFI licensees are not AF&PA members, but they must pay a licensing fee if certified. This fee is based on the licensee’s average net sales over the past two years. Landowners whose forestlands are FSC certified are not required to become FSC members, but many of them choose to join. For the U.S., FSC membership is $75 for individuals, $150 for nongovernmental organizations and corporations with less than 15 employees, and $300 for corporations with more than 15 employees. Ordinarily, membership is subject to the approval of the International Secretariat, however, all FSC certificate holders are guaranteed to be approved. FSC-U.S. is considering the creation of a national-level membership scheme; related fees and conditions

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<sup>b</sup> Information in this table comes from program literature and website, and the Society of American Foresters’ Task Force on Forest Management Certification Programs: 1999 Report.
have not yet been determined. Although the American Tree Farm System does not mandate the payment of any discrete fees associated with its certification process, it does encourage an $18 subscription (the first year is free) to its *Tree Farmer* magazine by all parties participating in their program.

**Indirect Costs**

There are also indirect costs associated with certification. For example, there may be “opportunity costs” where a landowner, in order to comply with a certification standard, may forfeit management options previously expected (i.e., a riparian buffer may be expanded or legacy trees retained leading to a reduction in harvest volume). In addition, significant time is spent on document preparation, data collection, and planning associated with a certification review or assessment. These types of expenses can be difficult to quantify, but may also be valuable to the landowner outside the context of certification.

**Opportunities to Reduce the Cost of Certification**

In light of the array of costs that have been outlined, forest management certification may be an expensive endeavor, especially for the small private forest landowner. The American Tree Farm System is an exception, as its certification process is free and volunteer foresters conduct its audits. For the remaining programs discussed in this guidebook, however, there are a number of fixed costs, regardless of the acreage being certified. These costs are related mainly to the assessment—travel for the professionals involved, time spent in the field, and the writing of the reports. Given the fixed nature of these costs, the relative expense on an acreage basis is higher for smaller properties than it is for larger landholdings.

There are several ways that certification can be achieved for a reduced price. In some rare cases, mills have been willing to cover landowners’ certification costs in order to assure reliable supplies of certified wood for their operation. Similarly, some of the land trusts and private foundations that promote sustainable forestry have expressed a willingness to provide financial assistance to landowners seeking certification, but this support is not likely to be available on a widespread basis. Another option for lowering upfront costs for small private forest landowners is group certification through landowner cooperatives and certified resource managers.
**Group Certification**

**Sustainable Forestry Cooperatives.** In the U.S., there are millions of forest landowners who hold less than 100 acres of forest each. Although these landowners are not typically involved in full-scale industrial timber production, they may still be interested in sound forest management and protecting their investments in forest resources from over-harvesting and environmental degradation. In the interest of reducing expenses, groups of small landowners around the country are banding together and pooling their resources to form cooperatives. Among other things, these forestry cooperatives are proving to be beneficial in the transfer of information and services to multiple landowners.

Most forestry cooperatives respond to member needs by providing requested services at prices that are more reasonable than if they were pursued on an individual basis. These services often fall into categories related to land management, harvesting, and timber sales. As a top priority, forestry cooperatives work to increase business opportunities for member landowners. For example, some cooperatives have been able to secure long-term contracts with wood products companies by collectively offering the wood harvested from a number of small to medium-sized forestlands. Such arrangements, orchestrated through cooperatives, provide greater volume and stability for the consumer, which, in turn, translates into higher economic returns for the producers.

Forest management certification is a potential business enhancing opportunity that so-called *sustainable* forestry cooperatives often promote (see Box 7). Sustainable forestry cooperatives differ slightly from standard forestry cooperatives in that they not only respond to economic concerns, but specifically address the environmental and social aspects of forest management as well. Currently, these landowner groups exist mainly in the Midwest and Northeast regions of the U.S. Sustainable forestry cooperatives are generally supportive of forest management certification because it is a strategy by which their members gain access to the green market sector while simultaneously implementing more environmentally friendly management practices on their forestlands. Also, they are usually able to offer less expensive certification opportunities to their members by facilitating arrangements whereby the fixed costs of certification can be shared among multiple landowners. It is important to note that certification is not a defining feature of *sustainable* forestry cooperatives—it is simply an option that some of these groups have promoted to illustrate their support for sustainable forest management.
Some sustainable forestry cooperatives have chosen to define their standards for sustainability in forest management by supporting the FSC system of certification, and others have been known to facilitate their members’ certification through the American Tree Farm System. However, FSC is the only system currently offering a formalized certification process for multiple landowners (i.e. group certification).

The American Tree Farm System recently completed its development of a group certification program and process. The process will be field tested during 2002 and made available as early as the first quarter of 2003. Eligible groups will include industry landowner assistance programs, State Forest Stewardship Programs, forestry cooperatives, and consulting forester clientele.

**BOX 7: SUSTAINABLE FORESTRY COOPERATIVES: ONE EXAMPLE**

**Vermont Family Forests** (VFF) was created by a county forester when he realized that owners of small tracts of forestland lacked the resources – in terms of both information and financial incentives – to manage their woodlands in an ecologically sensitive way. VFF works to fill that void by offering training to landowners through public workshops and one-on-one guidance and by creating financial incentives for environmentally-conscious forestry through the fledgling green certification marketplace. In 1998, VFF provided 31 family forest owners with access to FSC certification by SmartWood. VFF plans to market its wood under the Family Forest™ brand, a label that assures customers that the lumber is not only ecologically managed and harvested but that it is locally grown.

**Certified Resource Managers.** Resource Manager certification is a recently developed option that can also save the individual landowner money by allowing the costs of certification to be shared among multiple landowners. A Resource Manager (RM) is an independent expert or consultant who is contracted by forest landowners to manage their forests.
These managers have no legal right to the forest resources they manage. Certified Resource Managers have had their approach to forest management, including their philosophy and on-the-ground practices, reviewed by accredited authorities. By treating the forests of several clients as a single forest management unit (that undergoes a single forest certification assessment), the costs of certification per individual are significantly decreased because they are spread out over all the property owners seeking certification for their forestlands that are managed by that RM. The certification of RM and, therefore, the forestlands they manage, is a special feature of the FSC program. The Forest Stewards Guild has received foundation support to establish a fellowship program for Resource Managers seeking to become certified.
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Section IV

Reviewing the Requirements of Certification
Section IV.

Reviewing the Requirements of Certification

The certification process for all the programs outlined in this guidebook involves certain requirements that must be satisfied in order for a certificate to be awarded.

Documentation

The four systems favor different types of evidence to decide how well a forest manager is meeting the forest management goals articulated by the particular system. Clearly, there is some discretion as to the appropriateness of requiring certain documentation given the scale of operation, but there will remain significant documentation requirements even for small landowners (see Box 8). It is important to understand that all the systems are looking for documentation as evidence of a well thought-out system that helps a forestland manager meet his/her goals. However, the landowner should not get bogged down or discouraged in thinking that the overriding goal of certification is the creation of paperwork.

Goal Attainment

This portion of the guidebook focuses on some of the key elements or goals of “good” forestry that must be addressed under all certification programs operating in the U.S. Under each system, assessors evaluate whether the forest management goals maintained by the landowner or manager are well defined, consistent with the goals identified by the system they represent, and have been implemented. There is an important difference between having goals and using a management system to help achieve those goals. The latter is what auditors will evaluate.

The Society of American Foresters has developed a Certified Forest Auditor examination that was held for the first time in October 2002. This exam does not focus on the particulars of one certification program over another, but assesses a forester’s competency in the basic skills
necessary to perform a professional forest certification audit. Among the
skills it measures are the abilities to gather, analyze, and interpret data,
draw conclusions, and effectively report audit findings.

To follow is a list of several of the goals that auditors/inspectors from
all systems outlined in this guidebook will likely expect the landowner to
be pursuing. In addition, each particular goal is presented with a table
displaying the corresponding program’s language. The goals discussed
represent a sample of the common areas of assessment under the four
programs. Other goals, such as those related to timber management and
financial returns, are clearly important and are addressed appropriately
by each program even if not noted here. Despite their commonalities,
the certification systems maintain differences in how their standards
define what constitutes the attainment of these goals. For example,
Green Tag addresses the goal of clarifying boundaries and tenure

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**BOX 8: PAPER REQUIREMENTS FOR FSC & SFI CERTIFICATION—A COMPARATIVE STUDY**

An analysis conducted by the Pinchot Institute (June 2002) on “dual
assessments” involving FSC and the SFI program compared the docu-
mentation versus field performance requirements for the two systems.
Elements in the standard that require written policies, plans, or records
were considered documentation requirements. Elements addressing
the implementation of certain management activities were considered
performance requirements.

Across over 30 assessments, the SFI program considered insufficiency
of documentation a critical barrier to becoming certified. For FSC,
concerns over the inadequacy of documentation often resulted in “con-
ditions” that would be met once the land in question was certified.
The apparent difference in focus on documentation evidence suggests
a difference in the “performance” and “documentation” requirements
of the FSC and SFI program standards. Indeed, 64% of the core
indicators in the SFI program standard require documentation.
Categorization of the FSC standard, while less straightforward due to
dependence upon the auditor’s indicators and regional standards, sug-
gests that approximately 30% of the standard requires documentation
and the remaining 70% focuses explicitly on requirements in the field.
(ownership) under their *Guidelines* on forest planning and mapping, whereas FSC covers boundaries and tenure under two *Principles*, one on *Tenure Use Rights and Responsibilities* and another on *Indigenous Peoples’ Rights*. Different placement within the standard used by each system relates to their overall approach and character.

Common Goals of Sustainable Forest Management

**Goal 1:** Making a Commitment to Sustainable Forestry

**Goal 2:** Abiding by the Law

**Goal 3:** Meeting Best Management Practices

**Goal 4:** Practicing Sustainable Use/Yield

**Goal 5:** Protecting Wildlife and Conserving Biodiversity

**Goal 6:** Protecting Water Quality

**Goal 7:** Protecting Unique Areas

Goals 1, 2, and 3 are elaborated upon below. The remaining goals are simply supported by language from each of the programs.

c The systems use standards that are, in places, quite similar, and adhere to the same overall format. The SFI program’s Objectives and Performance Measures resemble FSC’s *Principles and Criteria*, as do Green Tag’s Criteria and Indicators, and the American Tree Farm System’s *Guidelines and Performance Measures*. Where they place shared elements is a reflection of their origination, approach, and values. It may be helpful for landowners to evaluate how each system addresses goals that they feel are particularly important and for which they want to be recognized.
**Goal 1: Making a Commitment to Sustainable Forestry**

All systems expect the landowner to be committed to good management on the site over the long term. In order to become certified, the landowner will be asked to demonstrate, or explain, how past decisions and planned harvests reflect a commitment to sustainable forest management over the long term.

**1: Goals for Making a Commitment to Sustainable Forestry**

<table>
<thead>
<tr>
<th>System</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Tree</td>
<td>“Members of the American Tree Farm System promote the growing of renewable forest resources on their forest land while protecting environmental benefits and are encouraged to strive to increase public understanding of all benefits of productive forestry.”</td>
</tr>
<tr>
<td>FSC</td>
<td>“Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.”</td>
</tr>
<tr>
<td>Green Tag Forestry</td>
<td>“Clear commitment to stewardship has been demonstrated.”</td>
</tr>
<tr>
<td>SFI Program</td>
<td>“Broaden the implementation of sustainable forestry by employing an array of economically, environmentally, and socially sound practices in the conservation of forests—including appropriate protection, growth, harvest, and use of forests—using the best scientific information available.”</td>
</tr>
</tbody>
</table>
**Goal 2: Abiding by the Law**

All systems require the forest manager to include adherence to all relevant laws as one of their goals. Federal laws especially relevant for timber management include the Clean Water Act and the Endangered Species Act. Other laws relevant to timber management include state and local zoning laws, and regulations concerning reforestation, application of forest chemicals (herbicides, pesticides, and fertilizer), prescribed burning, permitted structures, hazardous material disposal, and transport of heavy equipment. A forest in which federal, state, county, and/or local laws are violated is not certifiable under any system. Forest managers should also uphold all U.S. labor, equal opportunity, and civil rights laws. However, most small private landowners, who are not employing anyone directly, will not encounter instances for which these laws apply.

### 2: Goals for Abiding by the Law

<table>
<thead>
<tr>
<th>American Tree Farm System</th>
<th>“Forestry practices must include the application of the state’s Environmental Protection Agency approved forestry Best Management Practices or forest practices act as well as any other practices required by local, state or federal regulations.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC</td>
<td>“Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.”</td>
</tr>
<tr>
<td>Green Tag Forestry</td>
<td>“Compliance with all applicable federal, state and local regulations and zoning laws”</td>
</tr>
<tr>
<td>SFI Program</td>
<td>“Comply with all applicable federal, state, and local forestry and related environmental laws and regulations.”</td>
</tr>
</tbody>
</table>
Goal 3: Meeting Best Management Practices

Knowing whether forest management activities meet and exceed Best Management Practices (BMPs), as all systems require, can become quite complicated. BMPs are “methods that have been determined to be the most effective and practical means of preventing or reducing pollution.” They were first introduced in response to the Clean Water Act as means to encourage industries to voluntarily reduce their contributions to non-point source pollution. Working in partnership with industry and academia, the U.S. Environmental Protection Agency has developed a number of BMPs—mainly related to protecting water quality. State-level consortia of various experts are pulled together to develop BMPs for their state. BMPs for forestry generally pertain to achieving water quality goals as well as conserving forest resources, and often contain language that allows for interpretation by the forester. Therefore, the auditor must decide whether the land manager has ensured that this discretion is appropriately taken and not abused. In other words, when an operator violates the recommendations in BMPs it must be for a well-informed, justifiable reason. More recently, some states have incorporated guidelines for maintaining the aesthetic values of the forest.

3: Goals for Meeting BMPs

<table>
<thead>
<tr>
<th>American Tree Farm System</th>
<th>“Forestry practices must include the application of the state’s Environmental Protection Agency approved forestry Best Management Practices or forest practices act as well as any other practices required by local, state or federal regulations.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC</td>
<td>“Implementation of harvesting, road construction, and other mechanical operations shall follow the management plan and meet or exceed state Best Management Practices and applicable water quality regulations.”</td>
</tr>
<tr>
<td>Green Tag Forestry</td>
<td>“Landowner is familiar with and implements Best Management Practices.”</td>
</tr>
<tr>
<td>SFI Program</td>
<td>“Program Participants shall meet or exceed Best Management Practices developed under Environmental Protection Agency-approved state water quality programs and meet or exceed all applicable state water quality laws and regulations, and the requirements of the federal Clean Water Act.”</td>
</tr>
</tbody>
</table>
### Goal 4: Practicing Sustainable Use/Yield

#### 4: Goals for Practicing Sustainable Use/Yield

| **American Tree Farm System** | “Members of the American Tree Farm System promote the growing of renewable forest resources on their forest land while protecting environmental benefits and are encouraged to strive to increase public understanding of all benefits of productive forestry.” |
| **FSC** | “The rate of harvest of forest products shall not exceed levels that can be permanently sustained.” |
| **Green Tag Forestry** | “Sustained yield forestry concepts are followed (i.e. growth exceeds harvest over time)” |
| **SFI Program** | “Program Participants shall ensure that long-term harvest levels are sustainable and consistent with appropriate growth and yield models and written plans.” |

### Goal 5: Protecting Wildlife and Biodiversity

#### 5: Goals for Protecting Wildlife and Biodiversity

| **American Tree Farm System** | “Members’ forest management plans must address the effects of forest practices on fish and wildlife.” |
| **FSC** | “Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.” |
| **Green Tag Forestry** | “Complete and current forest inventory on record, including, reference to health and condition of forest, significant flora and fauna, and adequate data/mapping.” |
| **SFI Program** | “Manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals including aquatic fauna.” |

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### Goal 6: Protecting Water Quality

#### 6: Goals for Protecting Water Quality

<table>
<thead>
<tr>
<th>American Tree Farm System</th>
<th>“Forestry practices must include the application of the state’s Environmental Protection Agency-approved forestry Best Management Practices or forest practices act as well as any other practices required by local, state or federal regulations.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC</td>
<td>“Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.”</td>
</tr>
<tr>
<td>Green Tag Forestry</td>
<td>“Landowner familiar with and implements Best Management Practices.”</td>
</tr>
<tr>
<td>SFI Program</td>
<td>“Protect the water quality in streams, lakes, and other water bodies by implementing riparian protection measures based on soil type, terrain, vegetation, and other applicable factors.”</td>
</tr>
</tbody>
</table>

### Goal 7: Protecting Unique Areas

#### 7: Protecting Unique Areas

<table>
<thead>
<tr>
<th>American Tree Farm System</th>
<th>“Implemented forest management practices shall, to the extent practicable, recognize and protect recreational, historical, biological, archaeological and geological sites of special interest.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC</td>
<td>“Maintenance of High Conservation Value Forests: Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.”</td>
</tr>
<tr>
<td>Green Tag Forestry</td>
<td>“Wetlands, key habitats, rare plants and other special sites are identified and protected”</td>
</tr>
<tr>
<td>SFI Program</td>
<td>“Manage Program Participant lands of ecologic, geologic, cultural, or historic significance in a manner that recognizes their special qualities.”</td>
</tr>
</tbody>
</table>
Conclusion

Although this guidebook is not wholly comprehensive in its coverage of forest management certification, it has hopefully provided an ample introduction to the process and to the key elements of the major programs operating in the U.S. Particular attention was paid to presenting the type of information that might be useful to *private, non-industrial* forestland owners interested in learning about certification and/or contemplating whether or not it is something they want to pursue. The focus on private landowners was not arbitrary, as they manage the majority of our nation’s forests and have interests and concerns that are, perhaps, most effectively addressed with their particular situation in mind. To that end, this guidebook suggests certification as a potential avenue for perpetuating sustainable forest management on smaller-scale, private forestlands.

It is the prerogative of each individual landowner to decide if certification is a worthwhile investment. Furthermore, this guidebook does not hold one system in higher regard than another, but hopes to present them objectively and with the caveat that certification may not be for everyone. While forest management certification has gained prominence and name recognition over the last decade, it is an evolving arena of accountability that must be monitored for effectiveness and relevancy. Landowners can only be assured of having the most accurate administrative and cost information by consulting the programs directly at the time they are considering certification. Such knowledge, coupled with the background information provided by this guidebook, should enable private forest landowners of all kinds to determine if forest management certification complements the goals and objectives they hold for their land.
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Notes


8 Personal e-mail correspondence with Jason Metnick, Coordinator, Sustainable Forestry Initiative, American Forest & Paper Association, June 3, 2002.

9 Sustainable Forestry Board, *Summary of Key Enhancement to the SFI Program in 2000*.

10 Personal e-mail correspondence with Jerry Rose, National Association of State Foresters, June 2002.


12 Personal e-mail correspondence with Michael Washburn, Director of the Program on Forest Certification, Yale University, May 22, 2002.
13 Personal e-mail correspondence with Kenneth Cousins, consultant to FSC, July 16, 2002.


16 Personal e-mail correspondence with Katie Fernholz, Forester/GIS Specialist, Community Forestry Resource Center, January 10, 2002.

