

Council on Forestry ISSUE BRIEF – JUNE 12, 2007

1. Statement of Issue: FSC Certification for the Wisconsin Managed Forest Law – Tree Farm Group
2. Presenter: Paul Pingrey, DNR Forest Certification Coordinator
3. Action or Decision Requested of the Council on Forestry: Recommend whether or not the Department should undergo a full FSC audit of the MFL – Tree Farm Group
4. Background Information:
 - The MFL program was certified under the American Forest Institute's Tree Farm Group Program June 15, 2005. The MFL – Tree Farm Group has grown to 2,020,512 certified acres owned under 37,707 Managed Forest Law designation orders and is the largest certified group of family woodland owners in North America. The Department completed both Tree Farm and FSC scoping assessments in 2004. At that time, however, the Council decided the expedient approach considering time and funding constraints was to proceed with only a Tree Farm Group full assessment.
 - While MFL – Tree Farm Group certification meets the needs of paper manufacturers selling to Time Warner or marketing SFI branded products, there has been steady growth in demand for FSC certified stumpage. Domtar (including the former Weyerhaeuser mills), Neenah Papers, Stora Enso, and SAPPI Papers are among firms looking to expand their FSC lines. Solid wood manufacturers across the state are also expressing a high level of interest in FSC certified lumber and veneer due to a preference for FSC certification in U.S. building markets. The mills need a reliable supply of FSC certified wood from small private landowners, their primary source of sawtimber.
 - The Wisconsin MFL program averages 105,000 acres of timber harvests per year. The sales generate an estimated 713,000 cords of pulpwood and 47.6 million board feet of sawtimber annually (based on 2000-2004 data). While markets for this wood have been good in the past, recent downturns are creating an advantage for certified wood in general and FSC certified supplies in particular.
 - The American Tree Farm System has applied for Program for the Endorsement of Forest Certification (PEFC) mutual recognition, which will likely be awarded. While PEFC certification will strengthen access to European and Asian markets, there remains a strong FSC demand in the United States and other parts of the world. Securing FSC certification for private lands in MFL could provide them with significant market benefits, regardless of action on the Tree Farm – PEFC front.
5. Issues/Obstacles:
 - The 2004 FSC scoping assessment observed a number of potential Corrective Action Requests related to MFL. Many of the issues have been addressed by organizing the MFL – Tree Farm Certified Group. Strategically, concentrating on developing a Tree Farm group scheme first was a good decision. There are a few remaining issues, but the Department believes that practical solutions are available. We are reasonably confident

that the MFL – Tree Farm Group would be found in conformance with FSC principles and that only minor CARs would result if we undertake a full assessment.

- An MFL-FSC full assessment is likely to cost between \$60,000 and \$70,000, plus the time and travel for DNR staff involved in a review. (Scientific Certification Systems provided an estimate of \$63,000 in 2004.) To complete an assessment within the next year, the Division of Forestry would need to allocate money from FY 2008 appropriations. That would be tight but is feasible given the timing of other certification expenditures.
- Since FSC requires annual surveillance reviews, DNR would need about \$15,000 a year in addition annual certification audit costs. FSC would also assess about \$2,000 for annual accreditation fees. These additional expenses and recurring five-year FSC full audits would be added to future budget requests.

6. Options and Recommendation:

- a. Maintain the MFL – Tree Farm Group status quo for the time being.
- b. Reallocate FY 2008 funding to conduct an MFL-FSC full assessment as soon as practical.

The Department recommends option “b” to pursue an MFL-FSC assessment. Wisconsin forest products companies need every available edge to maintain or grow markets in a competitive global economy. FSC certification for MFL will resonate well with environmental interests who prefer that brand. Wisconsin’s MFL is an outstanding program for promoting the practice of sustainable forestry on private lands. The addition of FSC certification will further highlight the quality of MFL.

7. Author(s):

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