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What Do Non-Industrial Private Forest Landowners in Louisiana Think About Third-Party Certification?

By RICHARD P. VLOSKY

Dr. Richard P. Vlosky, Associate Professor of Forest Products Marketing, School of Forestry, Wildlife, and Fisheries at the Louisiana State University Agricultural Center in Baton Rouge recently conducted a study that identifies Louisiana non-industrial private forest landowner attitudes toward third-party forestry certification. This study was supported by a grant from the Forest Resources Law and Economics Division, U.S. Department of Agriculture Forest Service, Southern Research Station in New Orleans.

What is Third-Party Certification? Environmental certification of forest products and forestry practices is fast becoming an important issue facing the forest products industry. Currently, there are two independent organizations which maintain wood products certification programs in the U.S., the Smart Wood Program of the Rainforest Alliance and the Green Cross Program of Scientific Certification Systems. These two programs are the only ones in the U.S. that have been accredited by the Forest Stewardship Council (FSC), a diverse coalition that sets international standards for forest management and accredits certifiers. In response to environmental concerns, some environmental organizations, retailers and wood products companies are encouraging consumers to purchase wood originating from certified sustainable forests. These efforts are intended to counter an often-common perception by the general public that most forest practices involving the harvesting of wood do irreversible damage to the environment. The basis for certification is a perceived need for consumers to be assured by neutral third-party organizations that the forest industry is employing sound practices that will ensure a sustainable forest.

The USDA Forest Service estimates that 736.7 million acres of forest exist nationwide, representing 33 percent of the total land area. Two-thirds of the Nation's forests are classified as timberland (490 million acres). Of this, 358 million acres are in private ownership. Non-Industrial Private Forestland (NIPF) owners are defined as private forest owners who do not own or operate wood processing facilities, and include farmers, miscellaneous individuals and non-forest industry corporations, such as banks, insurance companies and the like. NIPF owners own forestland for a variety of reasons including timber production, as an investment and for recreation.

In this study, 981 NIPF owners in Louisiana were surveyed using mail surveys. Over 50 percent of respondents are 65 years or older and earn over $75,000 annually, while 77 percent are married and 63 percent have a college degree or advanced degree. Average ownership for all respondents is 760 acres. Over 50 percent of respondents own less than 200 acres while only 15 percent own 100 acres or more. On average, respondents acquired 112 acres over the past 10 years and sold an average of 33 acres over the same time period. This equals a total acquisition of 103,094 acres and 29,157 acres sold by respondents. Eighty-six percent of respondents have harvested timber from their lands with 80 percent stating that the harvest was to produce wood products for sale.

Of those that plan to harvest timber in the future, over the next lon years, 10.6 percent of respondents said they plan to harvest timber for their own use, 46 percent said they will h… wood products … cent said they … for both persor… for sale. 83.7 p… that they plan… timber for woo… sales at some … beyond 10 yea… jority of respor… the number on… own forestland i… production. T… lowed by the d… future estate for… lies, as a land … and for recrea… poses (e.g. hunti… hiking).

Nearly thirty … respondents (2… dents) said they … ten forestry ma… plan for the pr… this group, 87.… said that the pl… pared by consul… ers or other fore… sionals besides … Of the total 88… dents that respon… question, two-t… that they have s… estry managem… or assistance in t…

For the 85.5 pe… spondents that … have harvested ti…

Vlosky

From Page 5

state and tropical forests. The lowest level of agreement is that certification is necessary on privately owned forestland. In addition to the overall need for certification on various forestland ownerships, respondents were asked to evaluate whether certification can help sustaining the health of forests on of these different ownerships. Again, the lowest level of agreement is with regard to the ability of certification to sustain forest health on private forestland and highest for federal, state and tropical forests.

We often wonder what is driving certification. Is it being driven from the marketplace from consumer demand or is it from the certifiers themselves? Respondents believe that certification is being instigated primarily from non-governmental environmental organizations (NGOs) followed by the third-party certifiers themselves. Consumer demand ranked last.

We also want to find out which organization would be trusted to certify forest management and harvesting. Respondents were asked to evaluate their level of trust in a number of entities including the federal government, self-regulation by the forest products industry, non-government environmental organizations (NGOs) and third-party certifiers. Far and away, the only group that respondents trust to certify is certified foresters. Ranked last is the federal government. The study also indicates that there is a wide perception gap between the need to be involved and actual involvement in the certification process by the forestry community. For example, 56 percent of respondents somewhat agree or strongly agree that such involvement should take place. However, only 16 percent agree or strongly agree that the forestry community has been adequately involved in the certification discussion. The key driver for suppliers to produce or distribute environmentally certified wood products is the willingness of customers to pay a premium to offset implementation costs. Similarly, the ability to receive an upcharge from downstream customers, primarily consumers, is another driver of corporate certification involvement. In this study, respondents were asked if they believed consumers would, in fact, pay a premium for certified forest products. Only 13.5 percent strongly agreed that this would be the case with 17 percent somewhat agreeing. Thirty-seven percent somewhat or strongly disagreed. Respondents are generally not averse to having certifiers check their forestry operations. Twenty--three percent said they would allow such monitoring, 33 percent said no and 43 percent said maybe. Overall, there is a high level in self-confidence that they are "doing the right thing" and have nothing to hide. However, a willingness to pay for certification is glaringly lacking. Only 2.5 percent of respondents said they would pay for the cost to certify their forestland while 71 percent said they would not pay anything.

The last question posed to respondents was an open-ended question and asked if they had suggestions as to what might be viable alternatives to third-party certification of non-industrial private forestlands. There were 320 responses of which 198 said certification was not necessary in any form, 16 said they were not informed enough to discuss alternatives and 104 offered comments regarding alternatives. Three suggestions comprise 75 percent of the suggested alternatives. The most cited alternative is to have the Louisiana Department of Agriculture and Forestry (LDAF) be the certifying agency. The point here is that respondents felt that adherence to state guidelines is sufficient and that monitoring by the LDAF would be useful. The second alternative is to better educate the NIPF owner on management and harvesting practices that they would follow. The third significant suggested alternative is to have professional foresters certify NIPF lands. This is consistent with the high level of trust that respondents have in professional foresters, discussed earlier in this report.

Implications

Non-industrial private forestland (NIPF) owners comprise a significant part of forest ownership in the United States. Studies have shown that NIPF goals and objectives for their forestland is diverse. In the context of forest certification, initiatives are being developed by certifiers to accommodate the unique ownership characteristics of NIPFs. This information may help in the development of viable alternative strategies to third-party certification in Louisiana as well as help landowners develop certification planning and marketing tools for those that wish to participate in the third-party certification process.

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