

## *Third Party Certification and the Forest Products Industry in Vermont*

As seniors in forestry at the University of Vermont we are faced with a contradiction. As we exit this institution, we struggle to blend ecology and economics. We step into a rapidly changing world. As stewards it is our duty to maintain the integrity of the land for its own sake as well for its people. It is often difficult to manage for both of these concerns. Proponents claim that third party certification solves this problem. You may not be aware of third party certification and there is a chance that you are not involved with its practice. Third party certification, often called ‘green certification,’ is here, and likely to stay. It may eventually take forms slightly different than the one it currently displays, but its presence is felt globally. Mammoth companies and small cooperatives alike have enjoined their organizations to international certifying bodies like the Forest Stewardship Council, among others. It is critical during an examination of this phenomenon to highlight the difference between third-party certification, like FSC, and another method, self certification. Third party certification involves a specific set of criteria and processes that govern management plans and actions on the ground. Their rigorous standards require forest managers and landowners to craft management plans and actions in accordance with their definition of stewardship. FSC certifying bodies, like Vermont Family Forests, Smartwood, and others, act as the ‘third party,’ performing audits and assuring completion of principles and criteria. This supposes that forest products coming from ecologically sound management practices will yield better prices in the marketplace. Simply put, it means that people will pay more for good management. First party certification is distinctly different, allowing forest product companies, associated landowners, and managers to audit themselves in the absence of an outside certifier. There are benefits to both methods, and there is great debate among the community about which type will persist.

What does certification mean to the future of the forest products industry? We must consider the real effects of changing the forest products industry that new methods such as third party certification insist upon. Any change will surely impact our local communities, especially those dependent on forest products. However, we support the land ethic espoused by this burgeoning system. Market response to third party certification in Vermont appears weak.

Why, if certification promises both a financial premium and an increased likelihood of land integrity, does it fail to be embraced by the market?

We consulted landowners and forest industry professionals to help us determine the current state of certification within Vermont’s forest products industry. The applicability and future of certification depends on how it is perceived by stakeholders in this industry. Our efforts found a wide range of knowledge and opinions about it.

In Bristol, Vermont, on the night of November 17, 2005, we invited a group of landowners, foresters, and mill owners to a round table discussion. We posed three questions aimed to draw out their ideas. Each participant was given time to consider the question and respond with any ideas. No thoughts were excluded from the dialogue. It was especially important to this process to draw out all honest ideas and opinions about certification. Some thoughts were in support of certification, while others in opposition, but all were considered important and valid. Attendees then voted for their favorite responses from a list of all given. Here’s what they had to say, in ranked order:

Question 1: What specific benefits does third-party certification offer Vermont forests and/or Vermont forest products?

- ‘an incentive to keep lands intact’
- ‘potentially helps support small-scale industry folks’
- ‘creates a forest version of organic agriculture’
- ‘increases the cost/ margin of forest products’

Question 2: In the Vermont Forest Products Industry, what specific problems exist with third-party certification?

- ‘most customers still want cheap timber’
- ‘markets for third party certification do not exist on a commercial scale’
- ‘overhead (paperwork, bureaucracy, etc.)’
- ‘great confusion between certification systems (SFI is not third party cert.)’

Question 3: In what specific ways could third-party certification be improved or changed to benefit the Vermont forest products marketplace?

- ‘create a credible third-party certification standard for Vermont grown and crafted forest products, and require this for use of the word ‘Vermont’ in any part of the marketing’
- ‘extend certification to credentialing of practitioners’
- ‘good relations with landowners in order to optimize the use of their land’
- ‘third-party certification defers revenue until landowners sell products or realize sale of timber’

Given these responses, it appears that certification has potential to impact Vermont’s forest industry. It is clear that there are perceived advantages to certification. What isn’t clear, however, is the method necessary to make it more palatable to the public or average business owner. Our respondents feel that current systems lack credibility and are rife with overhead costs. The overall feeling that consumers want low cost products may dissuade many from considering certification. Additionally, markets for certified products are still in their infancy.

As we interpret the situation, on the precipice of our departure as forestry students, the future of third party certification is unclear, but it is likely here to stay. This discussion posed some of the questions that are driving the dialogue about the current state and future of third party certification. Keeping in mind that the responses we gathered were from one group of people, on one night, it is encouraging to entertain the possibility that their results could spark greater interest in this topic among members of the Vermont forestry community. Open discussions on current differences in opinion will allow stakeholders to investigate opportunities and alternatives that exist, creating a discourse that gives them the information to make the future forest economy one with great promise. Broader communication of these issues will network a wide range of ideas and lead to an improved future condition for Vermont’s forest economy and ecology.