

# FINAL REPORT

AUG 14 2001

## 1999 Project Abstract

For the Period Ending June 30, 2001

**Title:** AO1 Green Forest Certification Project  
**Project Manager:** Philip Guillery  
**Organization:** Institute for Agriculture and Trade Policy  
**Web Site Address:** [www.iatp.org](http://www.iatp.org)  
**Fund:** Environment and Natural Resources Trust Fund  
**Legal Citation:** Legal Citation: ML 1999, Chap. 231, Sec. 16, Subd. 7(a)

**Appropriation amount:** \$150,000

### Overall Project Outcome and Results

This project offered opportunities for private forests to become green certified throughout Minnesota. The primary result of this project was qualifying 115,000 acres of non-industrial private forests (NIPFs) for certification under the Forest Stewardship Council system through the certification of foresters, forest support organizations and educational institutions. Over 3,000 acres were directly certified as well managed by the end of this project through the green certification of two consulting foresters and one environmental learning center. 112,000 will qualify for certification through the certification of one consulting forester, one forestry support organization and one education institution that completed the certification process near the end of the project.

A secondary result of this project was to offer chain-of-custody (COC) certification to small sawmills and wood product manufacturers. COC assures that any certified wood products that are sold in the market place can be traced back to the certified forest from where they originated. Ten wood products companies were certified as a result of this project.

### Project Results Use and Dissemination

A result of this project was the development and dissemination of information on green certification and project results to key forest stakeholders and Minnesota's public through a workshop, web page, brochures, mailings and educational displays. 5,000 brochures were printed and disseminated, over 50 presentations made, and one educational display built as a result of this project.

The experience gained from this project demonstrated that many private forest owners are interested in forest certification but more flexible, less costly systems need to be developed to allow foresters and the State DNR to participate fully. This project was able to support the development of a new system that is showing promise in making certification more affordable and flexible.

**July 1, 2001**

**LCMR Final Work Program Report**

**Project Completion Date:** June 30, 2001

**LCMR Work Program 1999**

**I. PROJECT TITLE:** A01 Green Forest Certification Project

**Project Manager:** Philip Guillery

**Affiliation:** Institute for Agriculture and Trade Policy

**Mailing Address:** 2105 1<sup>st</sup> Avenue South, Minneapolis, MN 55404

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**Web Page address:** <http://www.iatp.org>

**Total Biennial Project Budget:**

**\$ LCMR:** 150,000

**\$ Match:**

**-\$ LCMR Amount  
Spent:** 138,137.70

**\$ Match Amount  
Spent:**

**= \$LCMR Balance:** 11,866.30

**= \$Match Balance:**

**Appropriation Language:**

**(a) Green Forest Certification Project**

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Institute for Agriculture and Trade Policy to certify foresters and to evaluate private forest lands for green certification.

**A. Legal Citation:** ML 1999, Chap. 231, Sec. 16, Subd. 7(a)

**B. Status of Match Requirement:** None required.

**II. and III. FINAL PROJECT SUMMARY:**

**Overall Project Outcome and Results**

The Institute for Agriculture and Trade Policy worked with forest certifiers, certified wood products manufacturers, the University of Minnesota, and the Minnesota DNR to offer opportunities for private forests to become green certified throughout Minnesota. The primary result of this project was qualifying 115,000 acres of non-industrial private

forests (NIPFs) for certification under the Forest Stewardship Council system through the certification of foresters, forest support organizations and educational institutions. Over 3,000 acres were directly certified as well managed by the end of this project through the green certification of two consulting foresters and one environmental learning center. 112,000 will qualify for certification through the certification of one consulting forester, one forestry support organization and one education institution that completed the certification process near the end of the project.

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#### **IV. OUTLINE OF PROJECT RESULTS:**

**June 30, 2001**

**Result 1: Green certification of 100,000 acres of non-industrial private lands.**

**Result 1a:** Independent third party certification of NIPF lands through certification of foresters, forest service organizations, and educational institutions.

A number of strategies were followed to make third-party certification under the Forest Stewardship Council available to private forest owners in the state of Minnesota. Originally it was thought that offering scholarships to private consulting foresters to become certified would be adequate to meet the goals of this project. However, it was found that there were unanticipated obstacles. One obstacle to foresters adopting certification was the high costs of the assessment and continued enrollment in the program. The program also demands of the resource manager a burdensome amount of monitoring and bureaucratic steps. In addition, while the DNR provides forest management advice to private forest owners, thus seeming to be a natural participant in

this project, the DNR was unwilling to have any of its foresters certified due to an unwillingness to add any new responsibilities to their field staff.

Even though there were these obstacles to foresters participating directly, three consulting foresters did go through the certification process: Mud Creek Enterprises, Masconomo Forestry and Forest Management Systems. Two completed the process and now have over 3,000 acres certified under their management. Once certification is fully implemented by these three consulting foresters, close to 100,000 acres will qualify for certification.

To address the obstacles for the participation of consulting foresters, IATP worked with Forest Stewardship Council and SmartWood, an accredited certifier, to develop less expensive and less bureaucratic methods of offering certification to private forest owners. Umbrella certification is a method developed where a forestry service organization holds the certification and works with a variety of consulting foresters to provide the certification to the private land owner. The benefit of this method is that it can take advantage of economies of scale in regards to costs and bureaucratic requirements. IATP pursued certification as an umbrella organization and is working with Minnesota landowners where foresters do not currently have the resources to become certified on their own. Currently, over 2,500 acres around the state are enrolled in this program with rapid expansion expected.

In addition to supporting the third-party certification of private lands directly, this project also worked with a number of educational institutions to have their lands certified. These certifications not only acted as demonstration sites where landowners and foresters can learn about the details of certifying lands, they can also act as a base from where private lands can become certified. For example, St. Johns University Arboretum had its 2,000 acres of forest certification process and plans to offer certification to adjacent private. In addition, Audubon of the Northwoods and Oliver Kelly Farm have certified their lands as an educational tool for landowners. In addition, Audubon is in the process of developing a landowner group to provide certification assistance to adjacent private lands.

A budget surplus for this result was due to lower participation of consulting foresters than expected. This left a surplus that was intended for scholarships for consulting foresters.

Budget: LCMR Budget \$121,500

Balance \$ 10,866

**Result 1b:** Workshop for private landowners to provide information on how and why they should get their lands evaluated for green certification.

This workshop took place at Audubon of the Northwoods in April and was co-sponsored by the Audubon center, IATP, and the University of Minnesota's Sustainable Forestry Education Program with over 125 private forest owners participating.

Budget: LCMR Budget \$6,000

Balance \$ 0

**Result 2: Chain-of-Custody Certification**

**Result 2a:** Chain-of-Custody certification of 10 sawmills or secondary wood product manufacturers.

A number of forest products manufacturers pursued chain-of-custody certification in part as a result of activities of this project. To date, Cass Forest Products, Aitkin Hardwoods, Haugen Lumber, Canton Lumber, Hawkins Sawmill, Chiseled Edge, the Frogtown Puzzle Company, Snowy Pines Restoration, Kathio Forest Products and Hill Wood Products, Inc. have received COC certification. Of these companies, five requested and received financial assistance, Snowy Pines Restoration, Frogtown Puzzle Company, Chiseled Edge, and Hill Wood Products, Inc. Unfortunately, the Frogtown Puzzle Company has gone out of business but it did produce and sell certified product before declaring bankruptcy. The following companies are pursuing chain-of-custody certification partially as a result of this project: Maple Wood Forest Products and Viking Pallets.

Budget: LCMR Budget \$5,000

Balance \$ 0

**Result 2b:** Chain of custody workshop to connect markets for certified products with logs coming from private lands certified under this project.

The lead group organizing this workshop delayed this workshop until next year. Since IATP was only a co-sponsor, there was inadequate financing to hold a workshop before July 1, 2001. Further, most forest products businesses were made aware of forest certification through more informal outreach that took place as a result of this project.

Budget: LCMR Budget \$1,000

Balance \$1,000

**Result 3:** Development and dissemination of information on green certification to Minnesota's public through meetings, web sites, brochures, mailings and information provided at environmental education centers.

Efforts were made to reach two categories of landowners: landowners currently managing their forests at some level, and landowners that are unaware of management options. The first category of landowners was addressed through outreach in the Minnesota Forest Stewardship Program. This was accomplished by participating in over 50 meetings with private forest owners and presenting at workshops. The second category was addressed through the educational institutions that had their forests certified through this project. In collaboration with Audubon of the Northwoods, Oliver Kelly Farm and St. John's College, information on certification was offered to visitors. This ranged from handouts and brochures to the building of an interactive display at Audubon of the Northwoods.

In addition to direct outreach, a website was developed that highlights this project and guides forest owners to methods for certifying forests. This web site was housed under

IATP's website [www.forestrycenter.org](http://www.forestrycenter.org) but has now been given its own URL, [www.mnforestcertification.org](http://www.mnforestcertification.org).

Budget: LCMR Budget \$16,500

Balance \$0

## **V. DISSEMINATION:**

Information is disseminated on two levels. The first level focused on informing NIPF owners, foresters, and manufacturers about green certification and the steps necessary for achieving certification. This was done through meetings, development of a web site and a brochure. The second level of dissemination will be to inform Minnesota's general public on the results of the project. This will be done through the development of a web site and mailings to inform newspapers, newsletters, and organizations of the project results.

## **VI. CONTEXT**

### **A. Significance:**

In 1997, the Institute for Agriculture and Trade Policy worked with the Aitkin County Land Department and the Minnesota DNR to successfully certify nearly 550,000 acres of public lands in Aitkin County. This unique and innovative program was the first county/state land certification in the country and the first forest certification in Minnesota. This certification independently verified that the management practices of the County Land Department and DNR met or exceeded internationally established standards for ecological, economic, and social sustainability. This proposal expands this initiative by offering certification for the first time to non-industrial private forests (NIPFs). Statewide, NIPFs make up almost half of the state's forests while the majority of harvesting taking place is also on these lands. The state-wide significance of this initiative is that it will position Minnesota as the national leader in certified sustainable forestry, creating new jobs, protecting recreational lands and waters, and preserving valuable wildlife habitat that all Minnesotans enjoy. It will also help deliver a consistent and adequate supply of certified raw materials to benefit local forest products companies in certified markets. It will help give Minnesota a large enough contiguous certified forest acreage to enable the full environmental, social, and economic benefits of forest certification. Most importantly, it will provide NIPF owners incentives for participating in ecosystem based management and sustainable resource management.

Another benefit to this approach is that it builds public awareness and support for the forestry and wood products industry in Minnesota, benefiting the entire state's economy. The economic benefits of certification include access to new markets and increased market share for loggers, sawmills, wood products manufacturers, and potentially increased financial benefits to landowners. With growing world demand for green certified wood, Minnesota can benefit financially by capturing an important share of this new market.

In addition, there is the benefit of public recognition for companies that purchase and sell certified forest products and increased public awareness of sustainable forest management practices used on state, county and private lands. Participation by non-

industrial private landowners in this sustainable forest management program is an important innovation, making it possible to achieve sustainability on a landscape or ecosystem-wide basis, the first time this has been attempted in the United States.

What makes this important new initiative possible is the unique partnership that has been established through the initial effort in Aitkin County. For the first time, County Land departments, the DNR, private foresters and landowners, sawmill owners and forest products manufacturers, the University of Minnesota, and private nonprofit agencies have pooled their talents and resources for certification. In Aitkin County, this partnership was the key to the coordination needed to achieve green certification. This project will build on this by adding to this partnership consulting foresters and NIPF owners.

An important outcome of this project will be the generation of a significant new information data set on the condition of the forest where certification takes place. The certification agreements and annual audits will add significantly to the knowledge base of foresters, NIPF owners, the County Land departments, DNR, and forest industry, as they continuously adapt management practices for greater sustainability. All of this information will be widely disseminated through an Internet web page, media and professional publications, and mailings to key forest professionals and businesses.

**B. Time:**

**C. Budget Context:**

This project to certify NIPFs builds on the successful pilot project that certified the 550,000 acres in Aitkin County. IATP received \$100,000 in funding from the Rockefeller Brothers Fund for the implementation of this project. In addition, the Institute for Agriculture and Trade Policy received funding of \$6,000 to develop a Community Forestry Resource Center and received further funding of \$150,000 for this project from the Doris Duke Charitable Foundation at the end of 1998. This center offers NIPF owners assistance in developing forestry cooperatives to maximize society-wide environmental benefits from forests. IATP helped with the development of two of these cooperatives here in Minnesota, and these cooperatives became certified through the Green Forest Certification Project.

**1. BUDGET:**

<b>Personnel</b>	<b>\$60,000</b>
<b>Equipment</b>	<b>\$</b>
<b>Acquisition</b>	<b>\$</b>
<b>Development</b>	<b>\$</b>
<b>Other</b>	<b>\$90,000</b>
<b>TOTAL</b>	<b>\$150,000</b>

**2. Submit a budget detail with all the specifics as attached as Attachment A.**

**VII. COOPERATION:**

Cooperators in this project include: Audubon of the North Woods; Eric Bloomquist, Colonial Craft; Robert Bartz, Palisade Supply; Minnesota Department of Natural Resources; Institute for Sustainable Natural Resources, University of Minnesota; Sigurd Olson Environmental Institute; and SmartWood.

**VIII. LOCATION:**

The project will take place throughout the forested areas of Minnesota; however, particular focus will take place in southeastern, central and northwestern Minnesota.

**IX. Reporting Requirements:**

Periodic workprogram progress reports will be submitted not later than January 2000, September 2000, and March 2001.

A final workprogram report and associated products will be submitted by June 30, 2001, or by the completion date as set in the appropriation.

**X. Research Projects:**

ATTACHMENT A Deliverable Products and Related Budget						
LCMR Project Biennial Budget				Objective/Result		
	Result 1a	Result 1b	Result 2a	Result 2b	Result 3	
Budget Item						ROW TOTAL
Wages, salaries & benefits -- Be specific on who is paid \$	\$60,000					\$60,000
Space rental, maintenance & utilities						
Printing & Advertising					\$11,500	\$11,500
Communications, telephone mail, email, Web Page, etc.	\$1,500				\$5,000	\$6,500
Contracts						
Professional/technical	\$53,500	\$6,000	\$5,000	\$1,000		\$65,500
Other contracts						
Local automobile mileage paid	\$6,500					\$7,000
Other travel expenses in Minnesota						
Travel outside Minnesota						
Office Supplies						
Other Supplies						
Tools and equipment						
Other Capital equipment						
Other direct operating costs						
Land acquisition						
Land rights acquisition						
Buildings or other land improvement						
Legal fees						
COLUMN TOTAL	\$121,500	\$6,000	\$5,000	\$1,000	\$16,500	\$150,000
Result 1: Certification. Includes staff Phil Guillery 1/2 time for each of two years.						
Professional contracts include \$53,500 for SmartWood to conduct forest assessments (including scoping assessments and certification).						
DNR forester <sup>1</sup>	\$15,000					
CFRC 2	\$9,500					
Mud Creek Enterprises	\$6,000					
Masconomo Forestry	\$5,000					
FMS	\$5,000					
Audubon	\$6,000					
Oliver Kelly 3	\$1,000					
St Johns	\$6,000					
1- Full cost of assessment of 2 DNR foresters, no cost sharing involved						
2- 75% of assessment cost, added expense of assessment due to increased costs of developing new system						
3- Costs for plan development beyond \$1000 obtained through donation and grants from other sources						
Contract with Barb Cofin (U of MN) and Audubon of the North Woods (forest assessment workshops \$6,000).						
Result 2: Chain-of-custody certification of 10 sawmills (\$5,000 contract with SmartWood).						