

Environmental Certification is becoming a “Must Have” for Forest Owners Wanting to Access the Best Returns

For some years now, it has been tempting to stand aside from certification as an added cost yielding few benefits. Industry commentators often argued that certification was more about market access than price premium. That didn't seem to matter for the smaller forest owners as domestic markets rarely asked for Certified wood.

But Things are Now Changing Rapidly in the Market-Place...

1. All but one of the large or corporate forest growers in NZ will be Certified or on the path to certification, over the next few months. This is being driven by increased customer demand especially in the finishing and pulp/paper based segments of the wood products market - both areas where “branding” reaches the eye of the final consumer.
2. The demand for certified pulp feedstock creates a ripple through industrial log grades as slab waste and chip from sawmills also need to be Certified.
3. A large proportion of Australian forest producers are either FSC certified or PEFC certified using the Australian Standard. Many of those companies export structural product and have a capacity to compete in NZ where any form of differentiation from competitors is useful.
4. The Japanese Government procurement regulations have influenced the market for FSC. In NZ the Government is seeking to introduce procurement policies to promote responsibly sourced timber, while the Green Building Council in NZ is recommending FSC certified wood and Horizons Regional Council is promoting a plan that provides for permitted activity status for FSC certified forests only.

Group schemes for certification can hold cost advantages.

In recent months, after a lull in interest, we have begun to field new enquiries from parties interested in Certification under our Group Scheme. Like others, they are now starting to feel pressure to manage the market risk as major processors in defined regions start to require sources of FSC Certified wood.

“Small forest growers in these regions that want to have access to the markets with the best returns really don't have any choice but to look at FSC certification”, says Kit Richards, PF Olsen's Environmental Manager. “Furthermore, if your logs have to travel another 100km past a local mill because the mill wants FSC wood that will reduce your return by around \$15/m3”.

There are significant advantages of the FSC Group Scheme;

- The costs of the FSC certification is spread amongst all Group members, which means lower costs for the individual.
- ‘Chain of Custody’ service via PF Olsen's certified WoodTrack wood management system.
- Easily transferable to other environmental labels in the future should FSC be replaced with another eco-label.
- Certification is most efficiently provided as part of PF Olsen's other management services, BUT
- Certification can be provided completely independently to Forest Owners who already have other forest or harvesting management arrangements.

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**Kit Richards,
PF Olsen's
Environmental
Manager.**



The FSC Group Certification Scheme for smaller forest owners means that the costs are spread and therefore lower for the individual, without losing any of the benefits.

