Differentiating Region-Specific Principles and Informing Consumers: Why There Should Be a Two-Label Forest Product Certification Structure

Francisco X. Aguilar

Voluntary forest stewardship certification programs have emerged as market incentives to promote sustainable resource management. Forest certification assures that forest management practices meet local regulations and respect social, cultural, and environmental values (Forest Stewardship Council [FSC] 1996). Currently, the Forest Certification Resource Center (2007) estimates that more than 300 million ha or 7.5% of forests worldwide have received certification.

Forest certification originated in the early 1990s to address public concern about products sourced from illegally logged tropical forests (Rametsteiner and Simula 2003). Forest certification programs are appealing to countries where the risk of forest species degradation is high to limit harvesting of particular species. Barany et al. (2003) stress that a tropical region’s potential to be a major supplier of wood products is constrained by the depletion of top commercial timber species such as Mahogany, Spanish cedar, and South American oak. Schulze et al. (2005) warn that even current legal timber harvest levels of high-value tropical species may result in a severe degradation of their populations. In particular, Schulze et al. (2008) warn that Tabebuia spp. is not logged sustainably in Brazil despite carrying a certification label. Current best management practices in tropical forests represent a significant improvement over conventional logging, which merits recognition in the marketplace, but there is a lack of understanding of the long-term effects on the stand and species level (Schulze et al. 2008). Products that carry a certification label should assure consumers that their purchases do not contribute to the depletion of tropical species. It may be necessary for forest certification programs to go beyond legal limits as they aim for forest sustainability.

Certification labeling formats have changed over time to address practicality issues and reduce costs of implementing chains of custody. Currently, there are labels that indicate that temperate wood products originate exclusively from certified forests or consist of both certified and other controlled sources such as the FSC Mixed Sources label (FSC 2004). In many regions, certification is the only means of assuring that forestry meets minimum legal standards—thus, tropical wood products do not have the same flexibility in labeling.

Although there have been many developments in certification programs, including changes in the structure of certifying organizations, revision of principles and criteria, and product labeling, the maturation of certification has not been accompanied by increased awareness among the general public. Ozanne and Vlosky (2003) reported an increasing level of understanding of certification when comparing responses from surveys performed in 1995 and 2000 but this is not statistically significant. Anderson et al. (2005) suggest no price premiums exist in the US market for low-priced often-used products such as paper. Nevertheless, Aguilar and Vlosky (2007) suggest that price premiums of about 10% may exist for imported certified tropical wood products. These scenarios are still market perspectives. So far, certification has not led to any substantial direct financial benefits. Some certified tropical producers have achieved indirect premiums by increasing the proportion of wood products sold for export—with the primary benefit being the ability to signal stakeholders of environmental stewardship (Rickenbach and Overdevest 2006).

The current snapshot of forest certification shows a series of disconnects among producers, promoters, and consumers of certified products. Consumers have little knowledge about certification and its claimed benefits but with an apparent willingness to pay premiums for certified tropical wood products. There is a gap between what consumers view as most urgent, promotion of sound tropical forest management, and what is largely being certified, non-tropical forests and wood products. Current best-harvest practices in tropical forests have important conservation benefits, but there still are major concerns about the sustainability of current legal harvesting levels of tropical species even under state-of-the-art forestry practices. Consumers may challenge the credibility of the certifying entity and its principles (Teisl et al. 2002) over concerns about variability and quality of audits or poorly evidenced claims of sustainable production (Gulbrandsen 2004).

A review of the evolution of certification programs shows a reduction in the number of commercial schemes. A concerted effort by the different certifying organizations has permitted mutual recognition of several schemes by acknowledging common certification principles and criteria. However, global performance criteria for sustainable forest management have not been achievable because of the diverse nature of forestry in temperate and tropical regions (Fischer et al. 2005). In particular, there is a need for better understanding of what sustainable forest management and harvesting of tropical species entails (Zarin et al. 2007). The next step in the development of certification schemes, after mutual recognition, may be the differentiation of wood procured from tropical and temperate regions.

The perspective of this article is to suggest a two-label format for forest certification: one label for products procured from temperate forests and another label for those sourced from tropical forests. A dual certification structure will better reflect our current understanding of forest stewardship for the two regions and permit the development of region-specific standards. In addition, a two-label ap-
approach would better inform the market of a product’s origin and allow consumers the ability to exercise their preferences and discern between products more appropriately.

One of the major gains from such certification format will be the creation of region-specific principles and criteria. As an example, Rice et al. (1997) have proposed that, given our current lack of understanding of tropical forest management, tropical forests should be accompanied by areas of preserved forestland. This specific suggestion may be considered to be discriminatory because it requires setting aside areas for preservation in tropical regions. However, if such management criteria could foster consumer confidence and result in product differentiation, it would result in the creation of additional product demand. Furthermore, price premiums may finally emerge in the market if tropical certified product supply is small compared with that of noncertified wood products and the costs of implementation are kept to a minimum (Sedjo and Swallow 2002). Managed tropical forests can be certified when the only species harvested are those for which there is strong evidence that applied harvest levels do not threaten their populations. Tropical forests also can find additional nonextractive, but economically productive, alternatives such as recreational and conservation uses (e.g., ecotourism) and the utilization of nontimber forest products (Plotkin and Famolare 1992). Tropical forests protection also may be facilitated if a market for investing in environmental services and biodiversity protection finally emerges.

Certification in temperate regions should not require developing species-specific standards or setting aside protection areas because our understanding of management indicates that sustainable harvests are attainable in both plantations and forests. Although a temperate forest certification label may not result in price premiums in the US market, the potential for greater market access and better prices may be possible overseas. In particular, there are good perspectives for US exporters in emerging niche markets for certified hardwood products in Northern Europe and China (Hrabovsky and Armstrong 2005). Price premiums may be exercised for top quality wood that also is recognized for its environmental stewardship in upper-end markets.

In the end, a two-label temperate/tropical certification format could be beneficial to both tropical and temperate regions. It would reduce the risk of certification losing consumer credibility and facilitate the creation of new markets for certified wood by providing information that can influence consumers’ decisions. It also would provide greater market access and potentially generate price premiums. This format would better reflect the nature of forestry, the forest industry, and our current understanding of forest sustainability.

Literature Cited


Francisco X. Aguilar (aguilaf@missouri.edu) is assistant professor, Department of Forestry, School of Natural Resources, University of Missouri, Columbia, MO 65211.