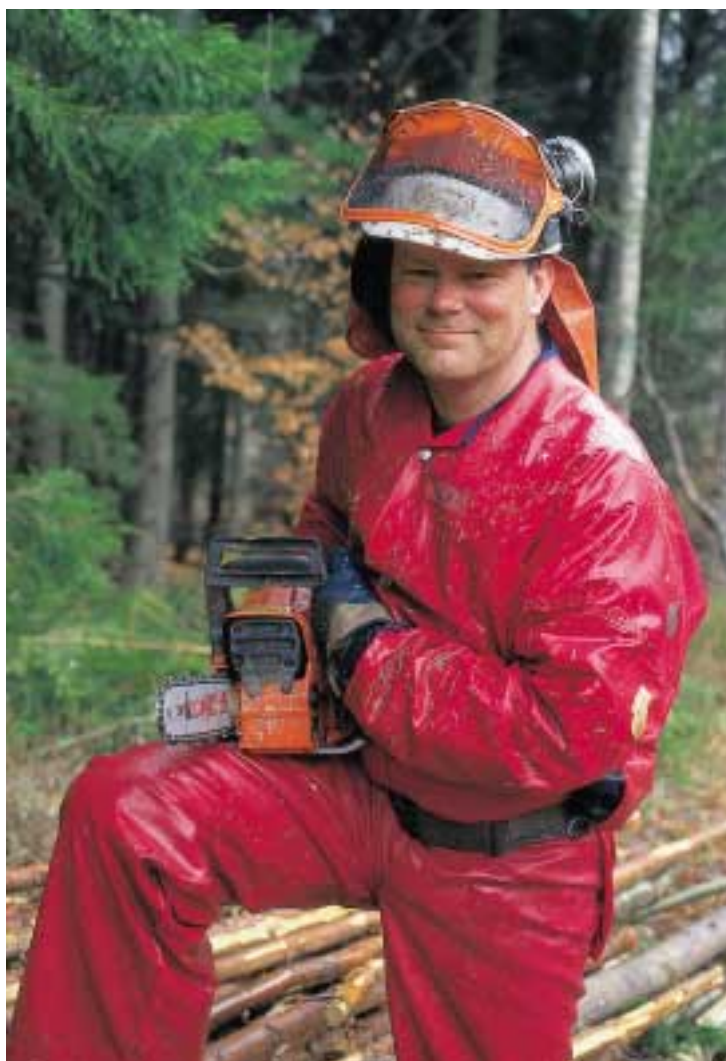




## Keeping the Forest – Making the Money

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*Forest owners tell their own FSC stories*



**Written by**

Count Hermann Hatzfeldt, Oliver Tickell, Pieter Poldervaart,  
Donné Norbert Beyer, Jan Näsström and WWF

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Cover photograph: Per Petersson, private forest owner from Sweden  
in his FSC certified forest. © Per Petersson.

## “It is Time to Eliminate Biases”

Foreword by Count Hermann Hatzfeldt



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Count Hermann Hatzfeldt owns and manages a 7,300 hectare forest estate in Germany.

Photo credit: Stephan Pick for "Capital"

When my forestry was certified according to the Forest Stewardship Council (FSC) standard in May 1999, it was the first private estate in Germany to attain this status. Since then only two other private forests have been certified. At the same time, three state forest services, 12 cities and more than 100 municipalities have been FSC certified.

This trend is typical of the scepticism and mistrust the private European forest owner still feels about FSC certification.

Why do we private forest owners remain so politely hesitant? What are our reservations? I think two questions play an important role.

- Is FSC certification even worth it? Aren't costs too high and market advantages too uncertain?

- What am I getting involved in? Do I have to change my operating methods? Do I endanger the right to make independent decisions regarding my own property?

Forest owner associations have clear answers to these questions and maintain that FSC certification is not suitable for private estates, especially not for the small and medium-sized forests that characterise ownership structures in Central Europe. Allegedly, certification

is expensive and costs are proportionately larger for smaller forest areas (a key word is “discrimination”); there is little demand and there would certainly not be higher profits (here the key word is “weak markets”); and non-forestry interest groups would be able to influence business decisions (“no self-determination”).

Forest owners in Sweden, Britain, Germany and Switzerland report on their practical experiences with FSC certification in this publication. Speaking for themselves and others, their experience clearly contradicts the presumptions listed above.

Admittedly, the FSC label is not for free. But no one has complained that certification was too expensive, not even owners of small forests. Certification for groups, which have included towns and municipalities in Germany and small to very small forests in Switzerland, proves that any forest area, no matter what size, can be certified today without discrimination for € 0.20 to € 1.30 (DM 0.40 to DM 2.50) per hectare and year.

Admittedly, the FSC is still relatively unknown in Central Europe. But demand is high and rapidly increasing. All forest owners who describe their experiences

on the following pages sold more timber under better conditions than they would have done without certification. Two of them have already won enough extra profits to pay for certification costs. Even if profits don't increase, these forest owners see advantages in marketing timber that is otherwise difficult to sell. One example from my own business is that we now sell FSC certified, low quality oak as parquet flooring – this used to be sold at a loss as firewood.

Admittedly, environmental organisations, labour unions and other non-forest groups were equal partners in working out the national FSC standard. But their influence goes no farther than that. Every forest owner makes a voluntary decision to have his operations certified according to this standard. After that, he deals with the certifier, a professional forester. Forest owners don't see this process as a degrading one, rather as a welcome business consultation that is uncomplicated and problem-free. It would be well worth its cost even without certification.

It is time to eliminate biases. I have yet to meet a single forest owner who regrets having FSC certification.

### What is the FSC?

The Forest Stewardship Council, FSC, was founded in 1993 by forest owners, timber industries, social groups and environmental organisations as a global, independent, non-governmental, non-profit organisation. The objective of the FSC is to promote environmentally responsible, socially beneficial and economically viable forest management worldwide.

FSC is a membership organisation. Any forest owner, timber industry, labour union, environmental organisation, indigenous peoples' group or individual may become a member of the FSC and guide its development.

The members of the FSC have developed 10 international principles and criteria for certification of good forest management. National FSC working groups adapt these principles and criteria to the specific conditions of the respective country. In many regions of Europe only minor adaptations of forest management are necessary to fulfil the requirements for an FSC certificate.

## Good Forest Practice Rewarded

By Oliver Tickell

Plummeting prices for lambs, sheep, dairy produce and beef cattle have pushed the incomes of Welsh farmers to an all-time low, and farm bankruptcies and forced sales are a daily event across the Principality. Yet John Pryce, representing the third generation of his family at Aberbechan Farm, just north of Newtown in mid-Wales, United Kingdom, is a glowing exception to the broad picture of doom and gloom.

John's secret? Forestry. Specifically, sustainable forestry certified as meeting the standards of the Forest Stewardship Council (FSC). Most of the farm's 57 hectares are under pasture, but its 23.5 ha of woodland are now delivering an essential boost to its finances. "Forestry used to be the icing on the cake", he says. "But as farming has declined, it is now producing nearly half of our income."

This is surprising given that most Welsh farmers see their woodlands as unproductive assets, good for little more than firewood and winter grazing. More

surprising still, only half of Aberbechan Farm's woodland area is under long term management – the 12.1 ha Brynrorin Wood, which is still recovering from historic mismanagement.

**“Our customers like to know that they are buying wood from a sustainably-managed local woodland and an FSC certificate gives them that assurance. That clearly has a value to our business.”**

In 1915 the local estate was sold to its tenants, but only after its owners invited in contractors from Birmingham to strip out all the best timber. Then, in the 1950s, the Forestry Commission told John's father – in line with its policies of the time – to clear out the birch-dominated “scrub” that had grown up in Brynrorin Wood and replant with conifers, under threat of compulsory purchase at a derisory € 13.40 (£ 8) an acre.

Poor quality stems have been removed from this formerly coppiced oak bole.

The other 11.3 ha of woodland were added to the farm in May 2000 – in a historical irony, sold to John by the Forestry Commission, which now pays him an annual grant for his management

of native woodlands. After long years of neglect, this mixed plantation – of beech, fir and spruce mixed with surviving native species – is crying out for responsible management. Already John has run in access tracks and begun to undertake long-overdue thinning.

But how does he make his woodlands pay? All the more so when prices for the softwoods that have been planted all

John Pryce shows a felled stem of low quality oak which has nonetheless produced a valuable quantity of bark.

John Pryce explains his silvicultural system.



Photo credit: Oliver Tickell



Photo credit: Oliver Tickell



Photo credit: Oliver Tickell



Photo credit: Oliver Tickle

Chair made from John Pryce's FSC certified timber.

over Wales in the name of “economic efficiency” are almost as depressed as those of beef cattle? Well, most of John’s forestry income derives from FSC-certified hardwood sales, thanks to the oak, ash and cherry that survived the Commission’s tender mercies back in the 1950s.

He also adds value to the raw logs by milling them under the trees using a portable tractor-powered “double slabber”, then air-drying and seasoning the stacks of wood. Next, he sells his wood to local craftsmen who prize the timber as much for the fact it comes from a local, well-managed, FSC-certified woodland, as for its quality, appearance and durability.

Further income is gained by stripping the bark off freshly-cut oak – dried out, he sells it to a traditional tannery for € 902 (£ 540) a tonne. As for the conifer harvest, mainly Douglas fir and Norway spruce, this comes in useful on the farm for fencing, gates and maintaining farm buildings. Sawmilling waste and poor-quality thinnings are valued as firewood.

“We are creating a management regime where we have trees of many species growing together, broadleaf and conifer, of all ages, but all of good form and quality”, says John. “We are trying to

rebuild the forest structure and diversity so we can continuously take out timber and receive a regular long-term income, as well as firewood and timber for use around the farm.”

Making this possible is Coed Cymru (Welsh Woodlands), a publicly-funded body committed to restoring management to neglected broadleaved and mixed woodlands all over Wales. Coed Cymru currently manages 3,000 woodlands covering 15,000 ha, bringing them back into commercially viable timber production at the same time as enhancing their landscape and wildlife values.

Key to its efforts is the development of beautiful, high-value products based on the small-section and often twisty timbers coming out of Wales’s long-abused woodlands. Among the items on display at its stand at the recent Royal Welsh Show were garden chairs, office and boardroom desks, end-grain cutting boards and flooring. Some of the most striking pieces were made of traditionally shunned species such as birch and alder.

To add further value to the timber emerging from Wales’s woodlands, Coed Cymru director David Jenkins has developed a pioneering group or “umbrella” FSC scheme, which he hopes will grow to cover all Coed Cymru-managed woodlands. Currently, the scheme is being trialled on 25 holdings covering 150 ha – Aberbrechan Farm among them.

## “FSC certification is just a question of good forest management.”

So what is John’s experience of FSC certification to date? “I have absolutely no fuss or bother with it”, he says. “It is just a question of good forest management. I have been looking after my woods with Coed Cymru for ten years and that’s all the preparation I needed. A lot of woodland owners are worried about the paperwork – but there’s none involved as Coed Cymru looks after it all.”

Nor does he have any problem with the cost – no surprise as Coed Cymru provides the service for free (and has no plans ever to charge). But John would be willing to pay if he had to. “Now I can see the benefits of certification I think I could afford € 250 (£ 150) or so a year. Our customers like to know that they are buying wood from a sustainably-managed local woodland and an FSC certificate gives them that assurance. That clearly has a value to our business.”

In fact, Coed Cymru’s FSC scheme cost € 7,514 (£ 4,500) to set up, and there is an € 1,336 (£ 800) a year maintenance charge. If divided among current members, that would come to just over € 8.35 (£ 5) per hectare per year – well within the sum that John would be happy to pay. And if all the woodlands managed by Coed Cymru woods end up joining the FSC scheme, as intended, that would fall to a distinctly affordable € 0.08 (£ 0.05) per hectare per year.

There is just one outstanding issue. When John’s timber is processed in Coed Cymru’s workshops it can be sold with an FSC label thanks to Coed Cymru’s “chain of custody” (CoC) certificate. But John’s main customer this year is a small joinery business in Newtown that makes Welsh hardwood fitted kitchens. Although CoC certification is much less expensive than forest certification, the cost is still too high for the kitchen company, so the kitchens made from John’s FSC wood do not carry the FSC label.

Coed Cymru is now trying to start up a group CoC scheme that would allow even the smallest of local wood processing businesses to put an FSC label on products made from FSC wood, however this will require changes to FSC rules. “This is not critical since the kitchens are all sold locally and people are willing to take things on trust as we all know each other”, says John. “But it will become important to have a group FSC scheme for small wood-processing businesses, as more products are traded outside the immediate area and more customers come to expect an FSC label.”



# FSC in Switzerland

## FSC Certification Adds Credibility to Good Forest Management

By Pieter Poldervaart

*Two years ago, Ruedi Iseli initiated independent certification according to the Forest Stewardship Council, FSC, in the first Swiss forest. Today he feels this move has paid off – business and public interest claims on forest resources do not need to conflict with each other.*

Ruedi Iseli is convinced that anyone who works “skillfully and sensibly” in the forest can let natural processes take their own course. Natural regeneration, for example, spares having to buy and plant new trees. “It guarantees a forest will grow that is native to the area”, he says. This kind of ecological system offers the best conditions for maintaining a forest’s endowment over time. It means natural resources can be used without endangering the needs of future generations. Iseli is not a theorist; under his guidance and preparation, Solothurn’s 2,000-hectare public forest was the first in Switzerland to be FSC certified in April 1998. “Of course, it was a step forward”, says Iseli, 47, a forest engineer by profession. All the same, his predecessors had already applied the same management principles before him.

### Biodiversity Adds Value to the Forest

Ever since choosing his profession, Iseli has been fascinated by the job of integrating a number of different demands that often appear to compete within the forestry business. The owner wants at least a balanced book, if not profits. The public increasingly wants to use the forest as a place for relaxation and recreation. Iseli says, “This expectation has become clearly more important in the last 20 years”. Finally, there are the



Photo credit: WWF / Gunt

Ruedi Iseli, pioneer in Switzerland's process of adopting the FSC Principles.

**“There is potential for improvement everywhere. Just to argue that there already is compliance to existing regulations isn't enough.”**

non-material interests such as biodiversity. If single trees are left in the forest as dead wood instead of being cut when they are 100 to 150 years old, it will not get business or the national economy anywhere. But decaying wood nourishes mushrooms, fungi and insects that provide food for many bird species and increase biodiversity.

### “Pointing a Finger at the South Isn't Enough”

Ruedi Iseli believes good forest management is related to credibility. “It’s not

enough to keep pointing at the deplorable situation in those countries on other continents where forests, as the life support base, are being destroyed.” He explains that the general global FSC principles are adapted to national conditions taking into account the significant differences between, let’s say, Swiss and Indonesian forests. Thus, he continues, FSC certification can contribute to safeguarding forests as a habitat for species over time. Swiss forest management indisputably has high ecological standards. But things should not be left as they are; “there is potential for improvement everywhere.” For this reason, Iseli also believes foresters shouldn’t adhere solely to the allegedly stringent Swiss Forest Law. Just to argue that there already is compliance to existing regulations isn’t enough.

### Ideas for Public Relations Work

Iseli, a progressive forest manager, was confronted by some sceptics who saw his environmental concerns as just another form of pressure from conservationists. But these voices are softening more and more as time goes on. “Environmental organizations like WWF are also pursuing new strategies and looking for business cooperation”, says Iseli. The FSC is a joint endeavour to reliably document good forest management in a way the public understands. Not enough public relations work has been done for forests and wood in recent years, he be-



# FSC in Switzerland

lieves, but accomplishments should be communicated to the public. The FSC offers the opportunity to relay many positive messages to the public that otherwise go unnoticed. Iseli points out that FSC certification has been worth it financially, at least during the first two years; about one third of Solothurn's wood harvest had been sold with the FSC label. The additional five to ten percent extra profit covered the costs of certification. Iseli expects that "the price premium will level off in the medium term as supplies increase, especially when other forest owners go for FSC, and more FSC labelled wood becomes available".

## FSC Improves Management

It is still uncertain to what degree industrial roundwood can be marketed as FSC wood. The largest Swiss chipboard plant, which belongs to Kronospan AG in Menznau near Luzern, buys FSC industrial roundwood. But beyond initial talks, nothing has happened thus far with paper and pulp producers. "It's well possible that we will draw attention from buyers

**"The additional five to ten percent extra profit covered the costs of certification."**

if we offer larger batches of wood", Iseli says hopefully. FSC wood has an advantage in the domestic market, even against wood imports from eastern Europe, where large forest areas already carry the FSC label. There are also opportunities for export – there is large demand in Britain for certified wood and wood products. The certification of public forest operations in Solothurn has brought advantages beyond those measurable in Swiss francs. The management system allows for the identification and improvement of operational weaknesses.

## The Dynamics of Group Certification

Ruedi Iseli, who is also a partner in a forestry consulting agency, points out that returns have to be in sensible proportion to expenditures. He believes it will make sense in the future to certify whole groups of forest operations, instead of single holdings. The small size of most privately owned forests in Switzerland gives rise to the idea to certify groups of smaller forest holdings. Private owners in Zurich canton participated in certification at no cost – expenses were covered by the forestry association and public forest owners. One of the private owners is Martin Kamm in Teufen, near Zurich, whose 17 hectares were recently FSC certified. "I'm not expecting a better price, but more regular sales", says Kamm. As a matter of course he has refrained from clearcutting and managed his forest carefully for a long time, an approach he applies to the management of his farm and vineyard as well. The FSC certification thus came at the right moment. Heiri Albrecht in Stadel, also

near Zurich, doesn't want to miss out on this trend either. He points out that, as with farming, forestry operations are adapting to more natural processes. Whoever doesn't join the plan will have sales problems later on. Albrecht supports the FSC and believes "it's good that people are rethinking."



Photo credit: WWF Wood Group

Handing over the FSC certificate. From left to right: Christoph Oetterli (Mayor of Solothurn), Ruedi Iseli, Guido Fuchs (Auditor SGS).



# FSC Group Certification

## “Converting to FSC Was Worth It”

*Dr. Thomas Rätz, forest assessor and environmental advisor to the Rhineland-Palatinate association of communities and towns (GStB), comments on the advantages of FSC group certification to forests and forest owners*



Photo credit: Thomas Rätz

A group of 20 communities in the German state of Rhineland-Palatinate, administering to a total area of 5,000 hectares, was awarded the Forest Stewardship Council (FSC) international label of quality in February 1999.

Small communal forest holdings joined the group certification plan, enabling them to reduce costs. They were the first in Germany to receive the desirable, internationally accepted FSC certificate as part of a group.

By August 2000, 125 communities and towns in Rhineland-Palatinate had received FSC certification from independent experts.

**Beyer:** Why did the GStB decide to apply for FSC certification?

**Rätz:** We see two developments that are influencing the forest industry. One is progressive globalisation, the other is the promotion of sustainable management. Both processes are driven by society. And there was another reason why the GStB, as an association of communities, had committed itself early to sustainable forestry – ecology, conservation and other issues related to forests were playing an important role elsewhere, in communal politics, for example. So we understood that the future of forestry would not be decided in the woods.

It is wrong to ignore social processes. Forest owners have to make their own contribution to this process or else the rules will be made by others. This holds particularly true for smaller forest holdings.

Our decision was strategic and long-term – it started with the idea of sustainability expressed at the 1992 Earth Sum-

mit in Rio, meaning that the industry should sell only timber that comes from credibly certified sustainable operations.

At the same time we wanted to correct the public's negative and false impression of forestry. Here we utilise the high credibility of environmental associations such as the WWF and work well with them together. This is a very important strategic partnership for us. FSC certification is primarily an important marketing and communication instrument.

**Beyer:** Which benefits smaller forest operations as well?

**Rätz:** That's right. Group certification was the breakthrough that brought wide acceptance of FSC principles and criteria. It enables us, as an association, to offer small forest operations the opportunity to join the certification process early on and at low cost, giving them the chance to join the new timber market. Our offer has been successful – 125 communities and towns, administering to a total of 40,000 hectares, have joined the plan.

**Beyer:** Has FSC certification already been economically worthwhile for forest owners?

**Rätz:** After a good year's time, we can say that FSC certification has been worthwhile for forest owners from an economic point of view alone. In fact, marketing opportunities for owners of certified forests have improved. On average, forest operations in Rhineland-Palatinate make five to fifteen percent better profits with FSC wood. This more than covers certification costs.

**Beyer:** Where do the extra profits come from? Does the FSC label bring in more profits or is more timber being sold?

**Rätz:** Fortunately both. On one hand, buyers are paying more money for a cubic metre of wood. They are also interested in more forest owners getting certification so they can buy more. For example, a newsprint manufacturer pays the current price plus € 0.77 (DM 1.50) per cubic metre. That's not much, but it is a signal.

On the other hand, many kinds of wood are being sold that used to be unsaleable in Rhineland-Palatinate. A complete range is coming from our forests – from low-quality industrial to high-quality knot-free timber. We have reached new markets with our products – and found new customers. Our regular clientele has increased without us losing old customers. This has increased opportunities on the market.

**Beyer:** Is FSC timber from Rhineland-Palatinate now sold within a larger market?

**Rätz:** Yes. Customers are coming from farther away – Mecklenburg-Western Pomerania, Switzerland and Luxembourg, for example.

**Beyer:** Let's go back to group certification, the key to your success. How does it work?

**Rätz:** Forest owners organise themselves into a group for certification and take advantage of the synergy effect. The

**“Many kinds of wood are being sold that used to be unsaleable in Rhineland-Palatinate.”**



# FSC Group Certification

GStB is the group representative in Rhineland-Palatinate. Group representatives can also be other organisations such as forestry associations or forest owner organisations. The group representative develops a management system to make sure each forest holding is adhering to FSC guidelines. Certification is awarded to the group's manager. The certifier makes spot checks to inspect the group. During the contract period, each forest operation in the group will have been inspected at least once.

In our case it was quite simple because the Rhineland-Palatinate state forest service manages communal forests. Together with the GStB, it installed the management system, which was based largely on the existing services management framework. We had already made recommendations regarding natural forest cultivation, for example, on the use of machinery. All of those recommendations became compulsory for the forest operations with FSC certification. This system clearly reduces certification costs. That is the real goal of the group certification plan – small businesses are not at a financial disadvantage compared to larger ones.

**Beyer:** How much does the GStB's work cost?

**Rätz:** Starting in 2001, the GStB will charge a small fee, just 0.5 percent of the earnings from timber sold with the FSC label. So we bear the same risks as the forest owner. This is an additional incentive for forest owners to join the FSC cer-

tification plan. Certification will be free of charge for all forest owners until 2001.

**Beyer:** Can a forest holding be certified that was poorly managed in the past?

**Rätz:** Yes, any operation can be certified, regardless of its initial situation. It is not the past that is being certified, but the future – what is being judged is a forest's management today and in the future, not its present condition. A forest holding that has only spruce trees or lots of game, or where no dead wood has been left on the ground, can be certified if it commits itself to change.

**Beyer:** How large should a forest holding be for you to recommend group certification?

**Rätz:** There is no lower limit. There have been group certification plans that included forest holdings smaller than one hectare. It is different for large forest estates. Although the maximum limit may not be clearly defined, it is usually between 3,000 to 5,000 hectares. Operations of this size already have their own management structures and should be individually certified. The average size of group-certified forest holdings in Rhineland-Palatinate is about 200 hectares.

**Beyer:** What kind of changes must forest owners cope with during the conversion to FSC approved forest management?

**Rätz:** First of all, it is important to know that the two most feared problems

do not occur. There is no external interference. Forest owners make their own decisions. The forest owner remains the master of his own forest. FSC certification is a voluntary market instrument.

Second, misgivings that there will be financial losses because less wood can be sold, do not prove to be true.

The biggest problem is game. FSC guidelines designate that game populations be regulated so that it isn't necessary to provide extra protection for the young shoots and saplings that regenerate a forest. But many forest holdings haven't got that far yet. They can be certified, but if there is a conflict of interests, they must decide in favour of the forest, not the game population.

But those operations that honestly calculate their long-term costs know that smaller game populations will cause less damage, which pays off in the end.

**Beyer:** No chemicals, no clearcutting, and dead wood stays in the forest – foresters interfere very little with natural processes in an FSC certified forest. Does natural forest management save labour and money?

**Rätz:** So-called "biological automation", which reduces the intensity of intervention, can definitely lead to a cost reduction. Take natural regeneration, for example. I don't need to cultivate planting stock in a tree nursery. I can be very sure local species will regenerate. I save money on plants and cultivation, and on biocides. But FSC certification doesn't mean the end of a business. The point is to proceed with natural forest management and to do it wisely and efficiently – which means aiming for an optimal relationship between effort and profit. The goal is to produce high-quality timber in accordance with market conditions. Enforcing FSC guidelines means that the economic side of forestry operations is given the same importance as the ecological and social sides.

*Dr. Thomas Rätz talked to  
Donné Norbert Beyer*

## Advantages of Group Certification

The concept of group certification was developed to provide easy, low-cost and equitable access to certification for owners of small forest holdings. The group certification process does not certify each forest holding individually, but establishes a group of certifiable forest operations. Members of such a group share certification logistics and costs. For forest owners participating in such a group scheme, certification is far less costly and less work intensive than individual certification. Any voluntary group of forest owners, a forest owners' association, a forestry organisation or a forest management co-operative may be suitable for group certification. Existing certification groups use the group successfully for joint marketing of their FSC certified forest products.

## Good Management Qualifies Swedish Forests for FSC Certification

By Jan Näsström



Mixed forest in Sweden.

Many privately owned Swedish forests are managed according to traditional knowledge and experience and could easily fulfil the conditions required for Forest Stewardship Council (FSC) certification. The neighbouring estates of Mulstad and Östra Valsinge near Åtvidaberg, a small town in southeastern Sweden, are a case in point. Owned by two sisters, Cecilia Österlöf and Elisabeth Dahlbäck, these forest estates were among the first to receive FSC certification in Sweden. The estates, covering a total of 215 hectares, were formerly run as one unit by their father, Göran Dyrssen. He is now 83 and still active in their management.

“When I first came to the farm in 1949, I was an infantry officer and my father-in-law, an experienced forester, assumed quite correctly that I knew nothing at all about forest management”, says Göran as he sits by the lake with his daughters and sons-in-law. “He was well known to many in the industry, foresters

and professors alike, who regularly visited the estate. They talked a lot about management methods and seldom agreed on what methods to apply. But they all shared an ecological point of

**“Group certification is not a heavy financial burden nor does it involve a lot of work.”**

view and agreed that forest management had to be sustainable to benefit future generations”, he remembers.

Göran was soon intrigued by the forest and worked hard for many years to incorporate good principles into its management. This included such things as pruning pine, spruce and oak trees and fitting nest boxes for birds. He emphasises that “it’s important to view the forest as a single entity of plants and animals together. One should not deal with monocultures”.

Both estates have a variety of trees with many conifer and deciduous species as a result. This variety has become more valuable today with the introduction of more advanced techniques for mapping and planning, making it easier for sawmills and others to order a specific quality of wood directly from the forest. Many people have become especially interested in the pruned spruces. “Students from a forestry school came here with a portable sawmill and took a close look at a spruce tree. They had expected that pruning would lead to decay, but they found first-rate, knot-free timber”, Göran recalls.

Göran’s daughters decided to follow in his footsteps when they took over the estate. This was easy, since the estate had been managed for many years by the Forestry Society, an organisation founded in 1912 to promote better and more sustainable management methods in Swedish forests. The Forestry Society is Sweden’s largest umbrella organisation for FSC group certification. The society

manages 450,000 hectares of forest, of which 224,500 hectares are now FSC certified.

It was the Forestry Society that suggested applying for FSC certification. The Swedish FSC standard had just been ratified in the autumn of 1997.

As the Society was already aware that the estate was excellently managed, not a lot was needed to involve it in a scheme for group certification. “Group certification is not a heavy financial burden nor does it involve a lot of work,” says

Elisabeth. The costs of group certification for an estate managed by the Forestry Society are two-fold. First, there is an initial fee of € 175 (SEK 1,500), which is based on the amount of work needed to adapt forest operations to the FSC standard. Second, an annual fee of € 0.50 to € 0.60 (SEK 4 to SEK 5) per hectare is charged for monitoring. An estate with 200 hectares of forest has annual costs of approximately € 117 (SEK 1,000).

The Forestry Society sells timber from the forests it manages. Experience shows there is an increasing demand for FSC certified wood. The Society is sometimes offered an additional € 1.20 to € 2.30 (SEK 10 to SEK 20) per cubic metre for FSC certified products. The Forestry Society does not expect to get a higher price for certified products in the long run, but it does believe that FSC certification will become a necessity if it wants to sell anything at all in the future.

Certification is the first step in adapting forest operations to FSC standards. It can take up to five years to complete the process. In this case, only minor changes were required. Forest edges will have to be planted with deciduous trees.

“This is the case on many private estates. Many could get FSC certification as easily as we did”, maintains Cecilia’s

Dead wood is habitat for many species.



Photo credit: Stora, 1999

husband, Björn, who is employed by the SSC, a Swedish forest certification company. “The assumption that FSC standards were designed for the timber industry is not true. Large estate owners working on an industrial basis have more difficulty adapting to the standard. For a smaller estate managed on a small scale, the FSC certificate often acknowledges that a forest has been well managed over time. Especially when compared to all the ‘experts’ who advocate aerial spraying and large-scale pine plantations.”

A common objection to FSC certification is that it reduces the forester’s freedom of decision. One argument brought up against certification is that at least five percent of the productive forest area must be set aside to grow in a completely natural and undisturbed way. Cecilia and Elisabeth find it hard to understand objections to this requirement. “We have always set aside a part of our forest. This is a fundamental principle of long-term use”, says Cecilia.

Another key question for a Swedish forester is deer and moose hunting. What happens when a forest is certified according to a system supported by the Worldwide Fund for Nature (WWF), the world’s largest nature conservation organisation?

“FSC actually takes a certain amount of hunting for granted. There must be a balance in the forest, and when moose feed on pine saplings, this balance is seriously disturbed”, explains Björn.

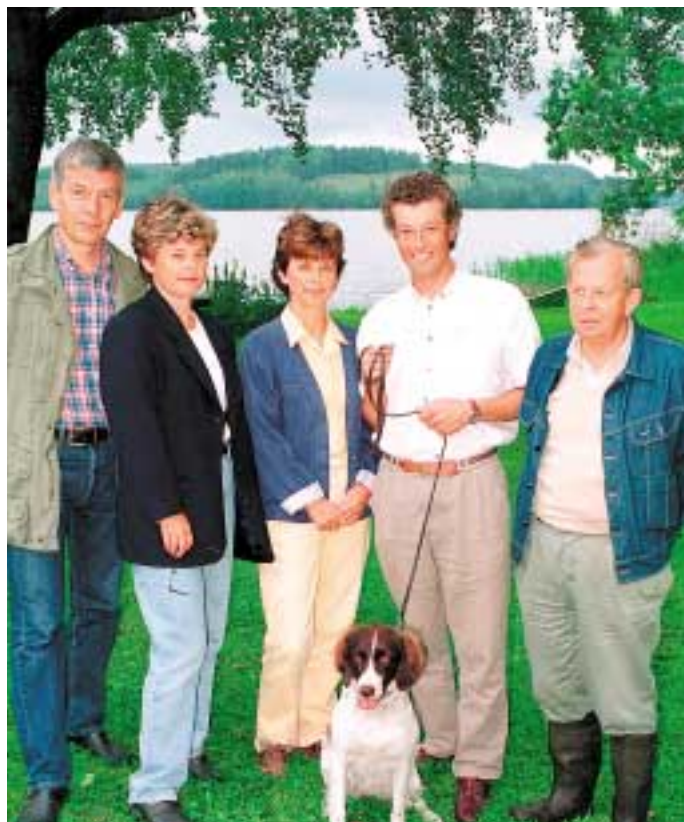


Photo credit: Jan Nässström

From left to right: the forest owner families Gunnar and Elisabeth Dahlbäck, Cecilia and Björn Österlöf and the former owner Göran Dyrssen.

**“The Society is sometimes offered an additional SEK 10-20 per cubic metre for FSC certified products.”**

FSC certification does not seem to have changed things very much in the forests near Åtvidaberg. They are managed as before and hunting continues. So what is the significance of FSC certification?

“The people who ultimately buy timber from our forests have no idea how we work. The FSC certificate proves we are doing a good job. But FSC is not just about our forest. The point is that all the world’s forests should be managed in a responsible manner”, is the proud response from Cecilia and Elisabeth.

## “FSC Certification Has Enabled German Forest Owners to Play an Active Role in the Market”



Photo credit: v. Rotenhan

*Baron Sebastian von Rotenhan owns forests in Bavaria and Saxony and has been chairman of the Natural Forest Management Work Group (ANW) for 12 years.*

**Beyer:** Baron Rotenhan’s forestry operations in Rentweinsdorf, Bavaria, are one of the best-known “teach and show” operations in the Natural Forest Management Work Group (ANW). Why is this so?

**Baron Rotenhan:** It has less to do with me personally than the fact that I represent the fourth generation in my family to manage forests in the same way.

My great-grandfather started managing the forest in keeping with the natural environment 100 years ago, and my grandfather, my father and I continued using the same principles. We now have model forests that are very different from the monocultures most German forests have become, where whole areas have been clearcut and planted with spruce or pine. We are careful to manage the forest so that it can regenerate itself naturally – we fell only individual trees.

**Beyer:** Which is obviously gaining more interest.

**Baron Rotenhan:** Fortunately, yes. An increasing number of customers approach me wanting to know more about FSC certified operations and asking if they can have a particular product. I have sold wood that I used to think was unsaleable.

**Beyer:** You were the first private owner in the states of Bavaria and Saxony to have your forests, 2,209 hectares in all, certified according to the FSC standard. Why?

**Baron Rotenhan:** The word “certification” comes from the Latin “certum facere” – to make certain. Which is something you can’t do for yourself. What use is a certificate you award to yourself? Certification is confirmation by a third party that you are doing something well.

**“We’ve always had buyers, but customers generally dictated what they would pay for wood products. For the first time, FSC certification has enabled forest owners to play an active role in the market.”**

We were convinced that we were managing our forests in a responsible and ecological way. We wanted an independent third party to confirm this. So I was grateful for the opportunity to apply for FSC certification, especially because it is supported by a well-known environmental organisation like the WWF. It verifies that we use methods to harvest wood that respect nature. It is FSC’s credibility that gives consumers the assurance they need to buy our products without hesitation.

**Beyer:** Did the FSC certifiers nevertheless find weaknesses in your management methods?

**Baron Rotenhan:** The FSC certifiers found very little to criticise as far as the forests themselves were concerned. But they also inspected the business and discovered there was a need to make some changes there. Worker safety regulations hadn’t always been observed and employees needed additional training. So certification was a benefit not only to our forestry but to our personnel and business management as well. We were glad to make those changes.

**Beyer:** Are there differences between your operations in Bavaria and Saxony?

**Baron Rotenhan:** Yes. Our Bavarian property is very different from the one I took over in Hohenstein-Ernstthal, Saxony. Here the forest had been clearcut in strips. Originally, beech and

oak trees had been native to this area. Today you find virtually only spruce and pine. Many mistakes were made in the past. It is my intention to correct them. That’s why I was awarded the certificate.

There will be inspections every year, then every five years, to see if I am really managing the forest according to the FSC standard.

**Beyer:** To what extent were economic reasons important in deciding to apply for the FSC certificate?



# FSC in Germany

**Baron Rotenhan:** Naturally, I wanted access to new markets for FSC certified wood. That is obvious. Even we forest owners need to earn money.

**Beyer:** Do you really cut down on costs if clearcutting techniques and chemicals are not used in your forests? And if your foresters interfere very little in natural development?

**Baron Rotenhan:** Definitely. We try to work as economically as possible. In other words, to gain maximal profit with minimal effort.

For example, on every German 50-pfennig coin you see a woman planting a tree. With a few exceptions, we don't really need to plant trees in Central Europe. Here there is natural succession. Why should I plant trees? Trees produce seeds that grow into new trees. The forest regenerates itself. If we leave tall trees to shade the areas where saplings can grow, the forest re-seeds itself. It means we have to do less thinning, which saves on labour and expenses. Every plant I buy costs money, and planting it costs money too. All these things are connected.

**Beyer:** But if you leave the forest to itself, doesn't the kind of wood grow that you don't want because it's too difficult to sell?

**Baron Rotenhan:** I can't now sell the wood that is new regeneration. I sell the wood my great-grandfather planted about 100 years ago.

I avoid the problem you mentioned by cultivating a mixed forest, just as my great-grandfather did. I manage a forest that has all the species the market demands, if only because I don't know what kind of wood will be popular a hundred years from now.

A forest owner should make sure they can offer the greatest variety of wood. This is a big advantage in the market.

**Beyer:** Is business with FSC certified wood more profitable? Does the FSC label allow you to sell more or a wider variety of wood?

**Baron Rotenhan:** I've only been certified since December 1999, so it's too early to say much about better profits. But I have discovered that I can sell wood that I couldn't sell before. Take spruce pulpwood, for example. Thin spruce trees are used to make paper. It's a market where you earn very little money because this wood is very cheap.

Now one of my buyers, a paper mill in the Black Forest, buys exactly this kind of wood from my forest in Saxony and even pays extra transportation costs because this wood has the FSC label. And this even though hurricane Lothar knocked down most of the Black Forest and there are now millions of cubic metres of wood right at his front door.

**“I have discovered that I can sell wood that I couldn't sell before. Take spruce pulpwood, for example.”**

Why? This paper mill makes wallpaper for an English customer. And this customer will buy wallpaper only if there is a guarantee that 30 percent of the raw product is FSC wood.

That is the main difference between FSC and PEFC. FSC is a valid trademark all over the world. For example, should the Chinese one day be asking for this quality guarantee, we would have a good position in the market. Thanks to the FSC label, I recently sold wood to Sweden for the first time.

**Beyer:** Does the FSC label open the door to new international markets?

**Baron Rotenhan:** Yes, because it offers new opportunities. We've always had buyers, but customers generally dictated what they would pay for wood products. For the first time, FSC certification has enabled forest owners to play an active role in the market.

**Beyer:** Has FSC certification already been worth the effort you made?

**Baron Rotenhan:** Actually, I got the certification costs back after my forests were certified in December 1999. Those costs were about € 8,692 (DM 17,000), or € 0.77 (DM 1.50) per year and hectare. It's too early to make a final judgement, but the trend looks very promising.

*Baron Sebastian von Rotenhan talked to Donné Norbert Beyer*



# FSC Certifiers Certifying in Europe

Status October 2000

## **SCIENTIFIC CERTIFICATION SYSTEMS**

### **Forest Conservation Program**

Stefan Schardt  
Florastraße 13  
13187 Berlin  
Germany  
Phone: +49 30 4863 72 25  
Fax: +49 30 4863 72 15  
E-Mail: timber@snafu.de

### **GFA LUSO Group**

Axel Brückmann, Joachim Droste  
Postfach 670548  
22345 Hamburg  
Germany  
Phone: +49 40 6030 61 14  
Fax: +49 40 6030 61 19  
E-Mail: abrueckmann@gfa-terra.de  
info@fsc-certification.de  
Internet: www.gfa-group.de

### **IMO Headquarters**

#### **INSTITUT FÜR MARKTÖKOLOGIE**

Karl Buechel, Thomas Papp-Vary  
Poststraße 8  
8583 Sulgen  
Switzerland  
Phone: +41 71 644 9880  
Fax: +41 71 644 9883  
E-Mail: forest@imo.ch  
Internet: www.imo.ch

### **SKAL Forestry Certification**

Jan-Willem Heezen  
Stationsplein 5  
8000 AJ Zwolle  
The Netherlands  
Phone: +31 38 426 8181  
Fax: +31 38 421 3063  
E-Mail: info@skal.com  
Internet: www.skal.com

## **SGS FORESTRY Qualifor Programme**

Ruth Nussbaum  
58 St Aldates  
Oxford OX1 1ST  
United Kingdom  
Phone: +44 1865/202 345  
Fax: +44 1865/790 441  
E-Mail: forestry@sgsgroup.com  
Internet: www.qualifor.com/

### **Soil Association**

Matthew Wenban-Smith  
Forestry Programme Manager  
Bristol House  
40-56 Victoria Street  
Bristol BSI 6BY  
United Kingdom  
Phone: +44 117 914 2435  
Fax: +44 117 925 2504  
E-Mail: mwenbansmith@soilassociation.org  
Internet: www.soilassociation.org

### **SmartWood**

Charles Townsend  
SmartWood representative  
17 Tilmore Road  
Petersfield, Hampshire GU32 2HJ  
United Kingdom  
Phone: +44 1730 300 356  
Mobile: +44 976 31 85 12  
Fax: +44 1730 300 864  
E-Mail: crt@globalnet.co.uk  
Internet: www.smartwood.org



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**WWF Switzerland  
European Forest Team**

Postfach  
8010 Zurich  
Switzerland

Phone: +41 1 297 2121  
Fax: +41 1 297 2100  
E-Mail: [marc.niggemeyer@wwf.ch](mailto:marc.niggemeyer@wwf.ch)  
[www.panda.org](http://www.panda.org)