



## **How can we solve the supply chain puzzle**

### Chain of custody sawmill survey full results

Confor has been working hard for the last 2 years to try to improve the certification process; we have been speaking to a wide range of stakeholders from forest owners to processors, and from auditors to the international Chief Executives of both FSC and PEFC.

In April's edition of Forestry and Timber News, Confor's technical director Andrew Heald kickstarted an important discussion around certification and chain of custody in his theme article *How can we solve the supply chain puzzle?*

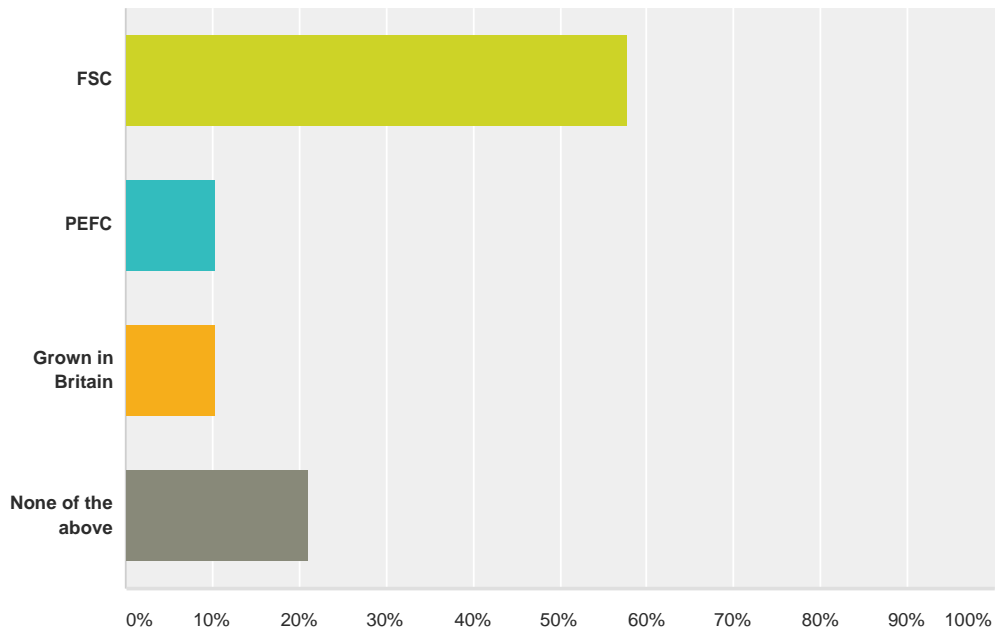
The piece highlighted the challenge that some sawmills have in sourcing adequate supplies of certified material. There appears to be a disconnect between sawmills and processors trying to source more certified material and many forest owners and managers perceiving that certification was too expensive and "too much hassle".

To understand why there is a disconnect we launched an anonymous survey of sawmills and processors. The survey was carefully constructed to be as neutral and short as possible, but to try to uncover some of the key challenges facing the sector in purchasing and selling certified material.

We had 20 responses to the survey and about half of these were from mills larger than 200,000 tonnes per year. Although this is a small sample it represents a reasonable proportion of mills and processors in the UK.

### Q1 Do you have a Chain of Custody certificate (tick all that apply)?

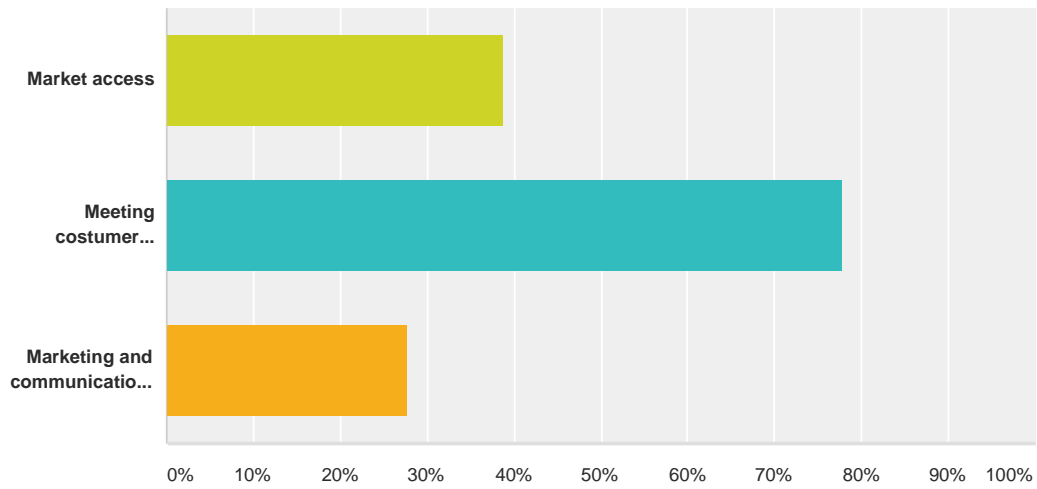
Answered: 19 Skipped: 1



Answer Choices	Responses
FSC	57.89% 11
PEFC	10.53% 2
Grown in Britain	10.53% 2
None of the above	21.05% 4
<b>Total</b>	<b>19</b>

## Q2 What do you think are the main benefits of having a Chain of Custody certificate?

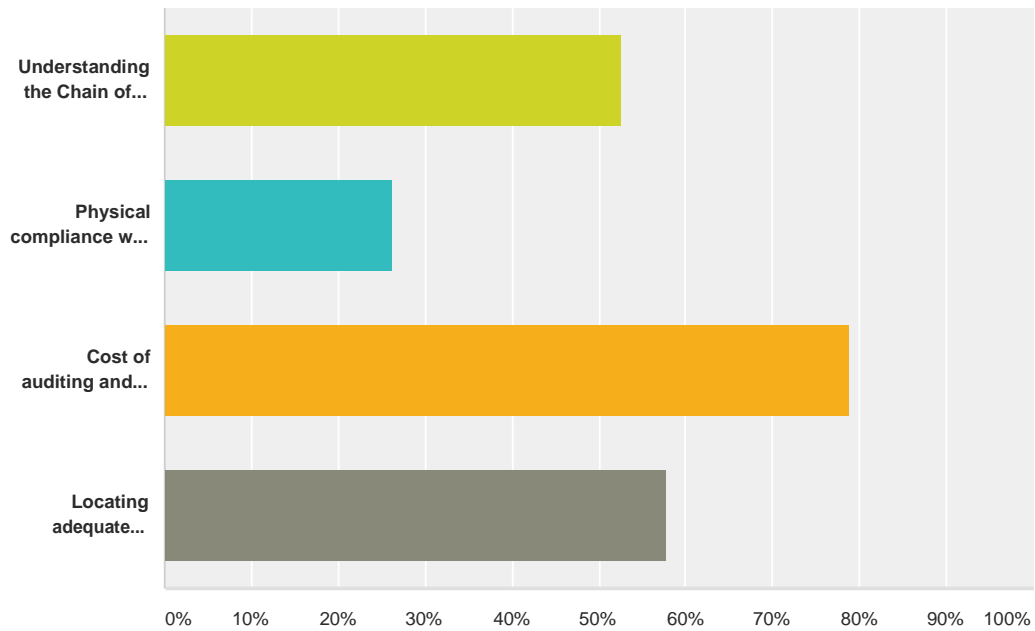
Answered: 18 Skipped: 2



Answer Choices	Responses
Market access	38.89% 7
Meeting customer requirements	77.78% 14
Marketing and communication tool	27.78% 5
<b>Total Respondents: 18</b>	

### Q3 What are the main challenges of holding a Chain of Custody certificate?

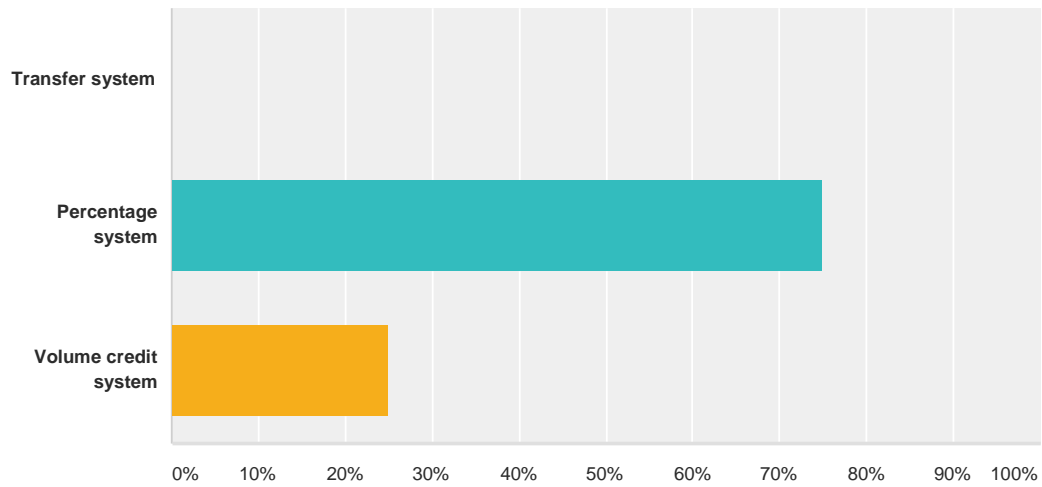
Answered: 19 Skipped: 1



Answer Choices	Responses
Understanding the Chain of Custody requirements	52.63% 10
Physical compliance work (eg keeping stock separated or batch production systems)	26.32% 5
Cost of auditing and demonstrating compliance (eg record keeping)	78.95% 15
Locating adequate supplies of certified timber	57.89% 11
<b>Total Respondents: 19</b>	

### Q4 What type of control system do you use for your certificate?

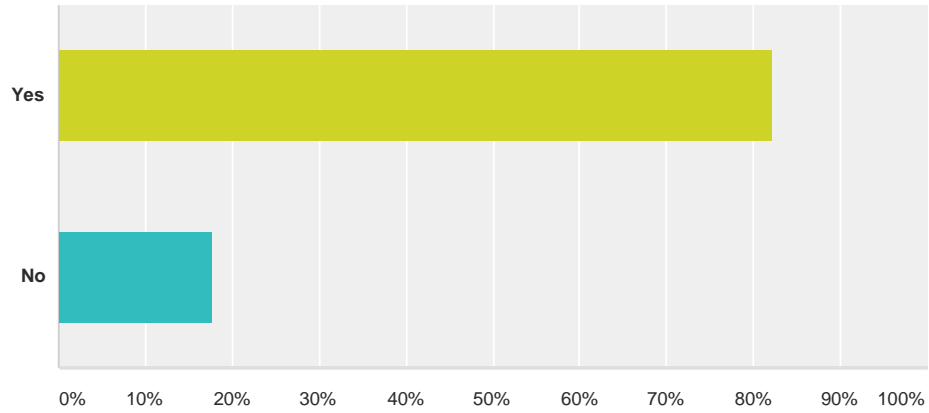
Answered: 16 Skipped: 4



Answer Choices	Responses	
Transfer system	0.00%	0
Percentage system	75.00%	12
Volume credit system	25.00%	4
<b>Total</b>		<b>16</b>

### Q5 Would you consider changing to a different control system if the availability of certified material was to reduce?

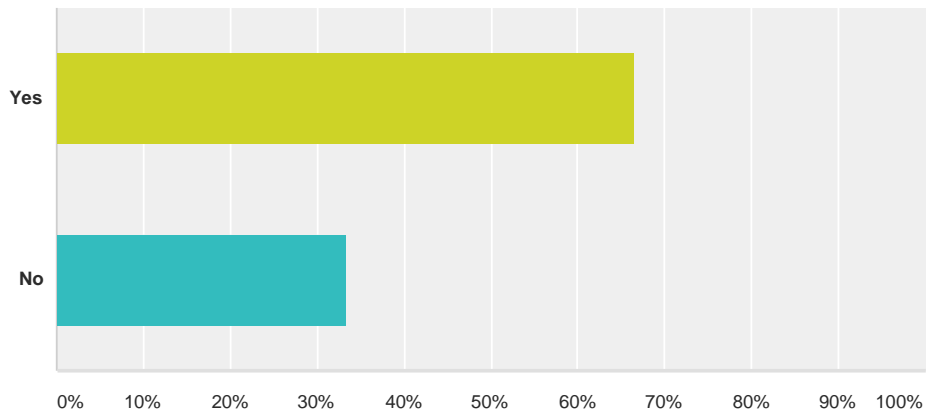
Answered: 17 Skipped: 3



Answer Choices	Responses
Yes	82.35% 14
No	17.65% 3
<b>Total</b>	<b>17</b>

### Q6 Are you generally able to source sufficient supplies of certified material?

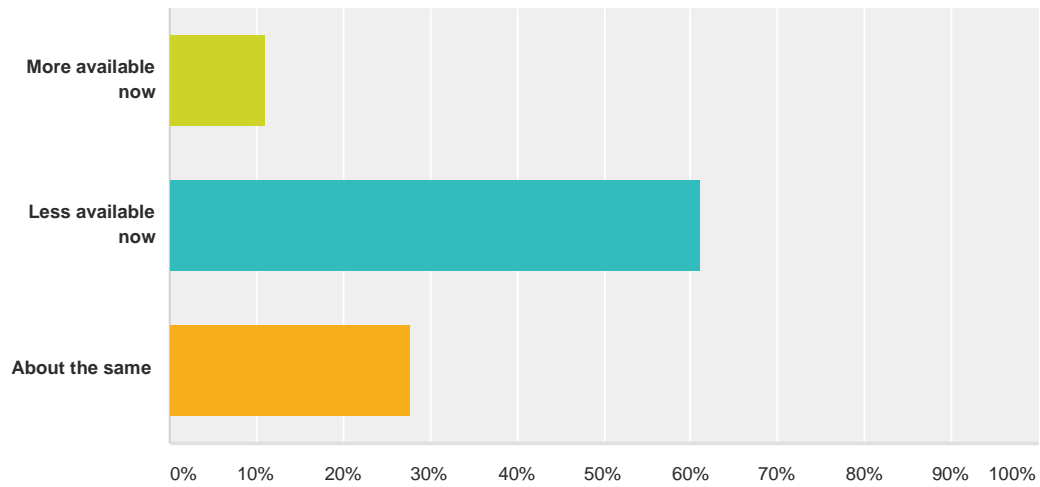
Answered: 18 Skipped: 2



Answer Choices	Responses
Yes	66.67% 12
No	33.33% 6
<b>Total</b>	<b>18</b>

### Q7 Compared to five years ago, has the availability of certified material changed?

Answered: 18 Skipped: 2

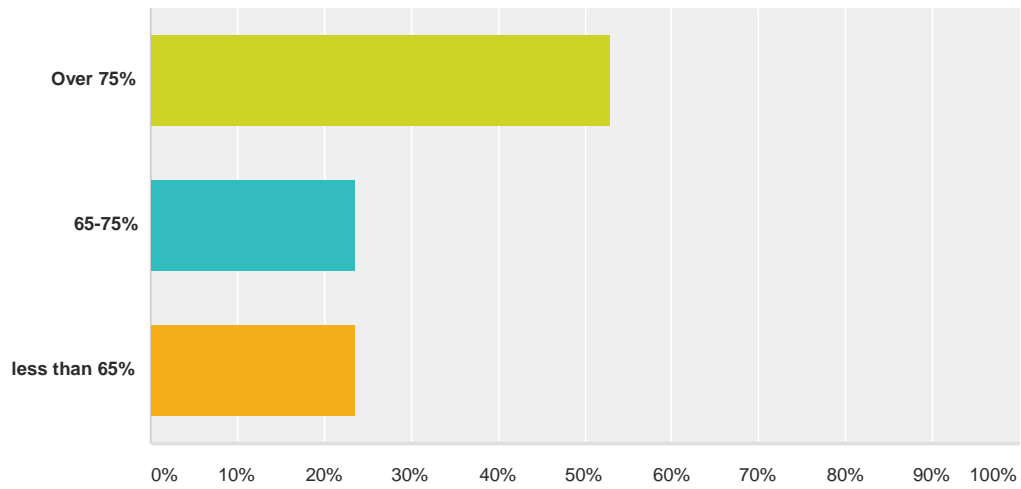


Answer Choices	Responses
More available now	11.11% 2
Less available now	61.11% 11
About the same	27.78% 5
<b>Total</b>	<b>18</b>



### Q8 Approximately what % of your timber input is certified (by weight)?

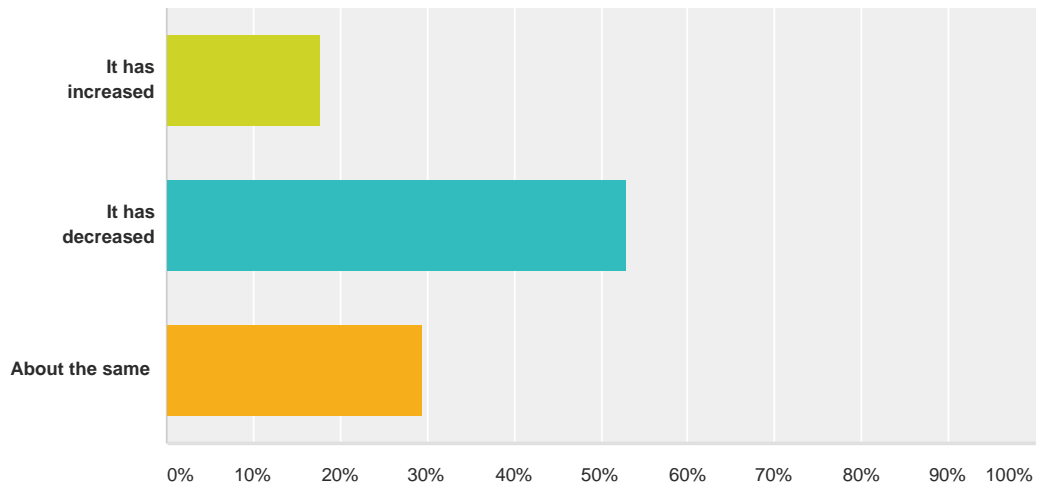
Answered: 17 Skipped: 3



Answer Choices	Responses
Over 75%	52.94% 9
65-75%	23.53% 4
less than 65%	23.53% 4
<b>Total</b>	<b>17</b>

### Q9 Has this percentage changed, compared to five years ago?

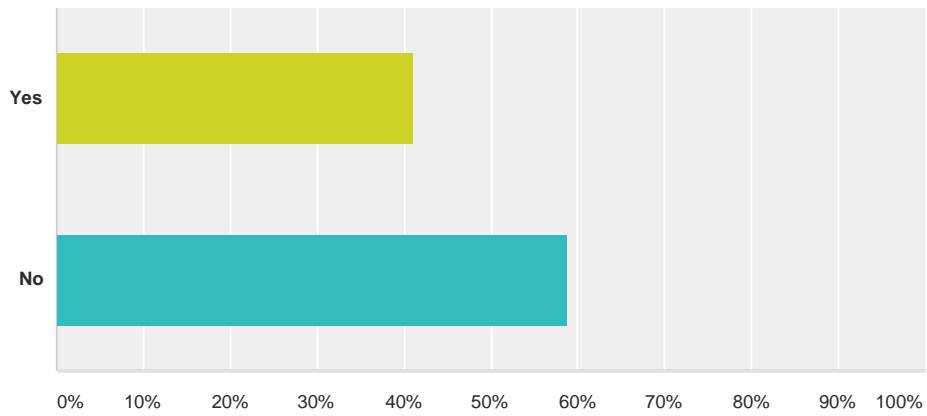
Answered: 17 Skipped: 3



Answer Choices	Responses
It has increased	17.65% 3
It has decreased	52.94% 9
About the same	29.41% 5
<b>Total</b>	<b>17</b>

### Q10 Is there a price differential for certified material that you buy?

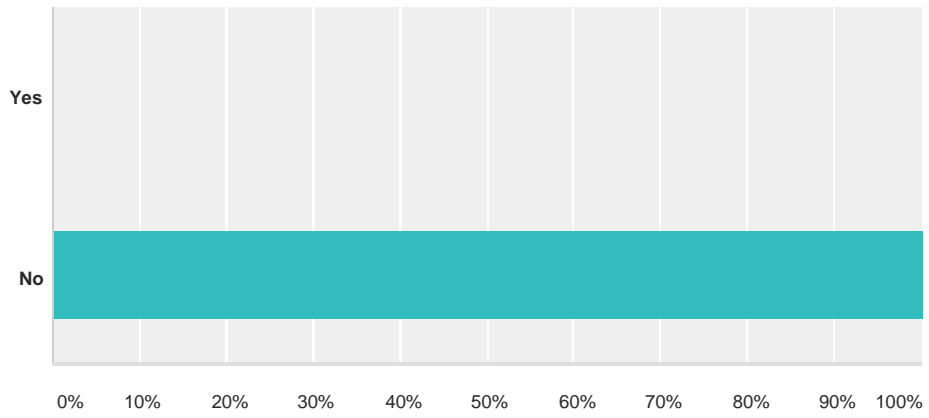
Answered: 17 Skipped: 3



Answer Choices	Responses	
Yes	41.18%	7
No	58.82%	10
<b>Total</b>		<b>17</b>

### Q11 Is there a price differential for certified material that you sell?

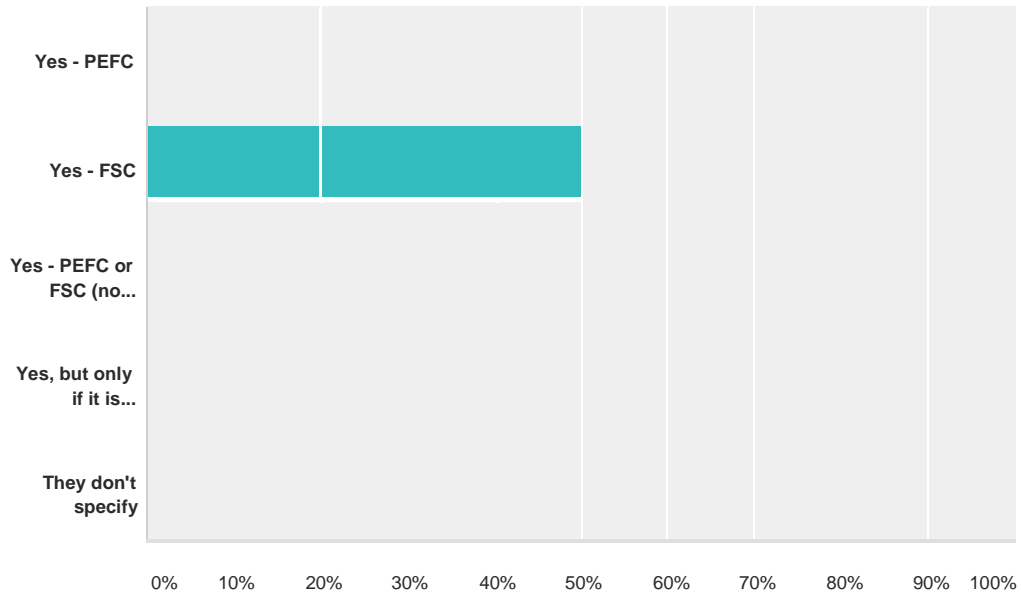
Answered: 18 Skipped: 2



Answer Choices	Responses
Yes	0.00% 0
No	100.00% 18
<b>Total</b>	<b>18</b>

### Q12 Do your costumers specify certified timber?

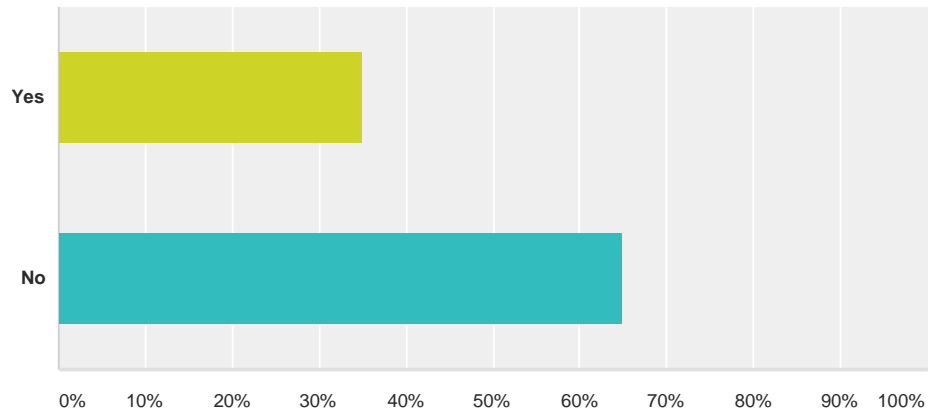
Answered: 20 Skipped: 0



Answer Choices	Responses
Yes - PEFC	5.00% 1
Yes - FSC	50.00% 10
Yes - PEFC or FSC (no preference)	5.00% 1
Yes, but only if it is available	5.00% 1
They don't specify	35.00% 7
<b>Total</b>	<b>20</b>

**Q13 Would the Grown in Britain label, which provides assurance of UK origin, be sufficient evidence on legality for your costumers?**

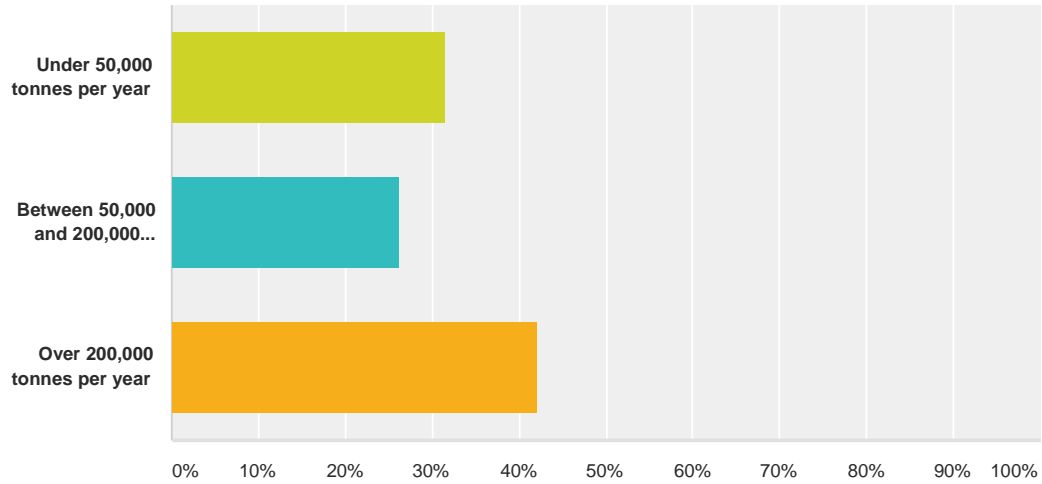
Answered: 20 Skipped: 0



Answer Choices	Responses
Yes	35.00% 7
No	65.00% 13
<b>Total</b>	<b>20</b>

### Q14 Approximately how much round timber and chips (virgin and recycled) do you purchase each year?

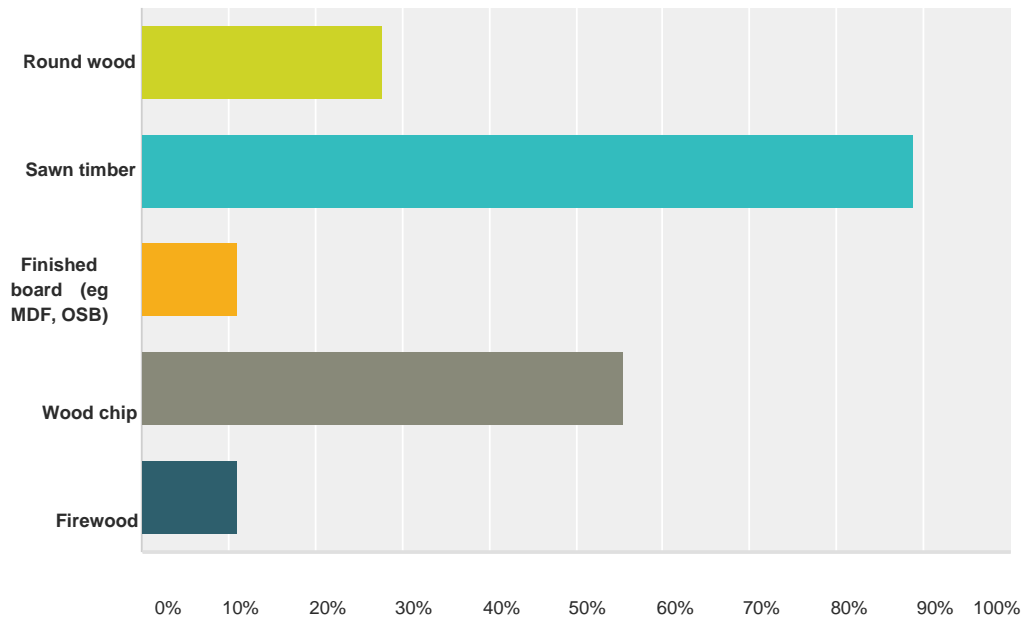
Answered: 19 Skipped: 1



Answer Choices	Responses
Under 50,000 tonnes per year	31.58% 6
Between 50,000 and 200,000 tonnes per year	26.32% 5
Over 200,000 tonnes per year	42.11% 8
<b>Total</b>	<b>19</b>

### Q15 What are the main products you produce (select up to 3)?

Answered: 18 Skipped: 2



Answer Choices	Responses
Round wood	27.78% 5
Sawn timber	88.89% 16
Finished board (eg MDF, OSB)	11.11% 2
Wood chip	55.56% 10
Firewood	11.11% 2
<b>Total Respondents: 18</b>	



## ***Additional comments made on the Confor Certification Survey.***

### ***What do you think are the main benefits of having a Chain of Custody certificate?***

1. only 15-20% of customers actually request certified timber
2. Sets firm basis for sustainability claims - reality in UK is that delays to re-stocking could attract damaging "deforestation" claims
3. Meeting some customer requirements.
4. We have never seen a benefit so have not participated any scheme at all.
5. I am not convinced that it is actually market access in all cases but is more important for certain customer types and others it has very little importance. I think GiB does have a marketing angle but I don't think there is any benefit as a communication tool.

### ***What are the main challenges of holding a Chain of Custody certificate?***

1. Frustration operating an unnecessary bureaucratic procedure
2. In case of FSC and PEFC. GiB does not present these obstacles
3. The new Standard seeking additional items such as conversion factors and more product groups. I can see no reason why we are required to provide conversion factors.

### ***If you could change one thing about certification and auditing, what would that be and why?***

1. Establish a degree of consistency between auditors as they all contradict each other.
2. Abolish it for UK produced material. It is totally unnecessary
3. Get rid of it
4. go to GiB!
5. Risk and Outcome Based to reduce costs and complexity.
6. Needs to be greater enforcement where it matters in South America etc
7. Get FSC & PEFC to recognise each others scheme as being comparable for percentage labelling.
8. Lower cost, lower complexity, lower audit burden
9. Simplify the standards
10. consistence of audits
11. The current system is complex- standards, directives and updates. You cannot apply a single standard for certification and auditors often want everything written into a procedure; clearer systems would help (user friendly/ less paperwork).
12. Remove it from the market.
13. with the arrival of FSC-STD-40-004 V3-0 there should be the option to switch to PEFC certification but the UK customer base need to be sold on this.
14. The bureaucracy and cost
15. less paperwork
16. The combine product types into one, as its all logs be it 5'6 in length or 16' in length

### ***Any additional comments?***

1. It's time for a grown up debate about certification in the UK generally instead of just burying our heads in the sand saying "we've got to do it"
2. We have been led down the garden path by illegal tropical logging. The UK does not need certification for UK production. If a Grown in Britain campaign could supplant FSC then it would be great but it would be hard to pull this off.
3. Growers find it difficult to justify and put little importance on it. Their view remains that their timber is lawful and sustainable under UK regulations - why do we need FSC to tell us otherwise.
4. UK clients need to have greater appreciation of PEFC timber as the current default for FSC for UK timber hinders the development of the PEFC option
5. Not all timber we sell are the same so premium for purchases and sale change depending on product. There is premium of some of our imported timber.
6. The rules are often not helpful to the cause- e.g. an NCR for wording in the wrong order; punishment should fit the crime. More and more rules are applied to stop illegal trade, but it is not the clauses that will solve the problem. UK companies have increasing paperwork where additional audits are required in high risk countries.
7. the survey at what type of system only allowed me to select 1 option we actually run all 3.
8. Most of the schemes are administrated by people who have nothing to do with timber. It is just a scheme for them to make money..

***NB Comments have been cut and pasted directly from the survey results, grammar and spelling has not been altered.***