State’s Voice, State’s Choice
2014 Tree Farmer Convention
Session Overview

• Coming up to speed?
• State’s Voice, State’s Choice
  – Concept and big dates
  – Considerations, comparisons
• Financial frameworks
• Next Steps
Today’s Audience
Different Stages
What is Third-Party Certification?

• Nested Standards Standards
• Undergo Annual Third-Party Audit to Verify
  – On-the-Ground Performance
  – System Performance
• Recognized in Marketplace as “Certified”
Pros & Cons of Third-Party Certification?

**Benefits**
- Additional Validation
- Third-Party Insights
- Credibility
- Market Recognition
- Market Benefits, maybe

**Drawbacks**
- Financial Costs
- Time/Complexity
- Coordination
- Opportunity Costs
How Did We Get Here?

• Recognition to Third-Party Certification
  – PEFC Endorsement
• Full Tree Farm System Certified
• 5 years of Implementation
Listening and Learning

• Value of certification varies by place
• One size does not fit all
• Shared accountability
• States want flexibility and a range of tools
• Program credibility, regardless
Goals to Achieve

• Support Landowners
• Promote Stewardship
• Credible, Healthy Program
• Certification Where it Matters
• Financial Sustainability
• Clean Assessment Results
• Vibrant Network
• More Landowners Engaged, Beyond the 1%
State’s Voice, State’s Choice

• Assess drivers and value of certification
• Evaluate options
• Understand requirements
• Engage collaborative dialogue & strategic planning
• Make a choice
• Take action
Different Approaches
Common Pathways

Certification and Recognition

• Prerequisites/Annual Benchmarks
• Financial Frameworks
• Tools
The Big Dates

State Notification*
by December 31, 2015
*Notification upon decision

Financial Sustainability
by December 31, 2018
<table>
<thead>
<tr>
<th></th>
<th>Recognition</th>
<th>Certification</th>
<th>IMG</th>
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<tbody>
<tr>
<td>Held to ATFS Standards of Sustainability?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Still a “Tree Farm” or “Family Forest”</td>
<td>Absolutely</td>
<td>Yes</td>
<td>Yes</td>
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<td>Considered Certified?</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
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<td>Covered by AFF’s certificate?</td>
<td>No</td>
<td>Yes</td>
<td>No, on their own</td>
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<td>Undergo audit?</td>
<td>No</td>
<td>Yes, every 3 or 4 years</td>
<td>Yes, annually</td>
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What is being considered?

- Market demand
  - Current, future
- Landowner interest
- Conservation value
- Aligning programs
- Physical geography
- Capacity concerns or risk
- Partners
- Costs
Where is the Market Demand?

• Markets fluid, observations overtime
• Geography
  – Europe; South, Lake States, PNW; Other pockets
• Sector: biomass, packaging and print
• Ask industry and other partners locally
• Companies: NewPage, MWV, Weyerhaeuser, Idaho Forest Group, Plum Creek
Financial Frameworks

Begin: 2019
Reassess: 2021
Financial Frameworks: Beginning 2019

Certified Pathway:

• State Program Contribution:
  – $10/Tree Farmer
  – $7,000 State Program Annual Cap
Certification Pathway..
So, what does that cover?

• Contributions **help** offset audit costs only
  – (But, does not cover it..)

• But, please remember, it is more than audit..
  – An enabling system
Certification Pathway..
How did we arrive at those numbers?

- ATFS Certification Program Costs
- All state program budgets
- All state program populations

- What is feasible, achievable, fair and appropriate?
- Incentives to grow, engage more landowners
Certification Pathway..
Where can the funds come from?

- Multisource
- Grants
- Partnering organizations
- Donations (including AFF direct appeal)
- Member fees or dues
- Others
Emerging Questions
Making a Switch?

Question: What if we choose Recognition now and markets open in 3 years? Can we move to Certified then? How long does it take?

Answer: Yes! SVSC is designed to be flexible. 18 months notice is ideal for internal preparation and audit coordination. An expedited process is possible.
What if a State Program fails to..

• Meet the components of the MOU with AFF?
• Make the financial contribution?
• Meet the benchmarks for selected pathway?
• Pass an assessment, major nonconformity?
• Complete corrective actions?
Response

• AFF is committed to supporting State Programs
• Work together
• Establish a restorative process
• Probationary period
• Credibility of the system is essential
Making the Choice

- Collaborative dialogue
- Strategic planning
  - Prerequisites and benchmarks
- Neutral facilitation
- Knowledgeable leaders
- Landowner engagement
Notification Process

- Early Notification Underway
- Notify Upon Decision
- Codify with MOU
Choices, Thus Far

Recognition
• New Mexico

Certification
• Oregon
• South Carolina
• North Carolina
• Kentucky
• North Carolina
Questions, Ideas and Thoughts
AFF’s Commitment

• Same Standards for all Tree Farms
• Support for all State Programs
• ATFS as a symbol of quality
Thank You