



**CERTIFICATION  
CORNER**

## Part 2

# Tracking Certified Wood Making Certified Wood Products Legitimate

by Jeff Stringer

Certified wood products require that all or a portion of the wood contained in the product comes from or represents wood from a certified forest. As was discussed in Part 1 of this series all entities that take ownership of the wood along the supply chain have to be certified. For the woodland owner this requires Forest Management (FM) certification and for the industries involved it requires Chain of Custody (CoC) certification. One of the key components of the Chain of Custody certification is the requirement of third party verification of the purchasing, handling, storage, manufacturing, shipping, and invoicing of certified wood and wood products. Third party verification of all those involved in the supply chain provides proof for the consumer that their purchase of certified wood products is supporting sustainable forest management. This verification is an important part of providing legitimacy to forest and wood certification. Understanding how this works provides woodland owners with a better understanding of certification and their part in the production of certified wood products.

### ***Certified Claims – Tracking the Movement of Certified Wood<sup>1</sup>***

Normally, as wood flows down the supply chain the only time an actual certified label is applied is on a finished product. A log coming from a forest or lumber from a mill does not have a label on it. However, the certified wood needs to be accounted for (tracked) as it moves down the supply chain. This tracking is done with what is called a claim. A claim is wording in contracts, invoices, or other paperwork that provides a description of what and how much certified material is being sold. For example, whether it is a 20-ton truckload of pine pulpwood from a logger, a load of 500 board feet of oak lumber, or a finished product like a set of cabinets or flooring going to a builder, the claim must be contained on documentation associated with a transfer of ownership. Tracking starts with the first transaction in the supply chain, the sale of the wood by the woodland owner (in certification terms, the FM certificate holder). For example, timber is purchased from the FM certificate holder by a logger. A written claim must be attached to this transaction, typically included in a contract. In this case the contract would include the FM certificate number and a description of what is being sold (mixed hardwood pulp, pine sawtimber, etc.) and the fact that 100 percent of what is being sold is certified (the claim). Having the FM number, general timber description, and volume or tonnage

estimate (if available) in the contract provides the purchaser (in this example a logger) with documentation of the certified claim. A 100-percent claim is standard for nearly all timber purchases because the entire woodlands is certified, thus all the timber and fiber is certified. The logger must not mix a load of this certified wood with uncertified wood. The FM number, timber description, 100-percent claim, and volume estimate (unless the mill's scale receipts are used) specified in the contract provides the timber buyer with most of the necessary information required by CoC standards.

The second step of this supply chain is the transaction between the logger and a mill. The paperwork attached to this transaction would typically be a load ticket presented to the mill with each truckload delivered. The load ticket would indicate the logger's CoC certificate number and a designation of what type of product makes up the load, for example hardwood pulpwood, softwood pulpwood, or mixed or species specific sawlogs, veneer, etc. The load ticket would also include the claim and the name and address of the mill the logs are being delivered to. When a logger brings a load of certified pulpwood or sawlogs to a mill the claim is normally 100 percent, meaning that all the wood on the truck is from a certified forest (i.e. the product being delivered is 100 percent certified).

### ***Separating Certified from Uncertified Wood***

To this point the supply chain, starting at the forest and moving to the mill, is relatively simple. However, at the mill things can become interesting. The mill has options on how it handles the certified wood. It can keep the certified wood physically separated from the uncertified wood or it can be mixed. Which of these methods is used depends upon a number of factors. One of the most important considerations is whether the mill's customers want a product that is entirely composed of certified wood with a 100-percent claim or whether they want a product that is a mixed of certified or uncertified wood.

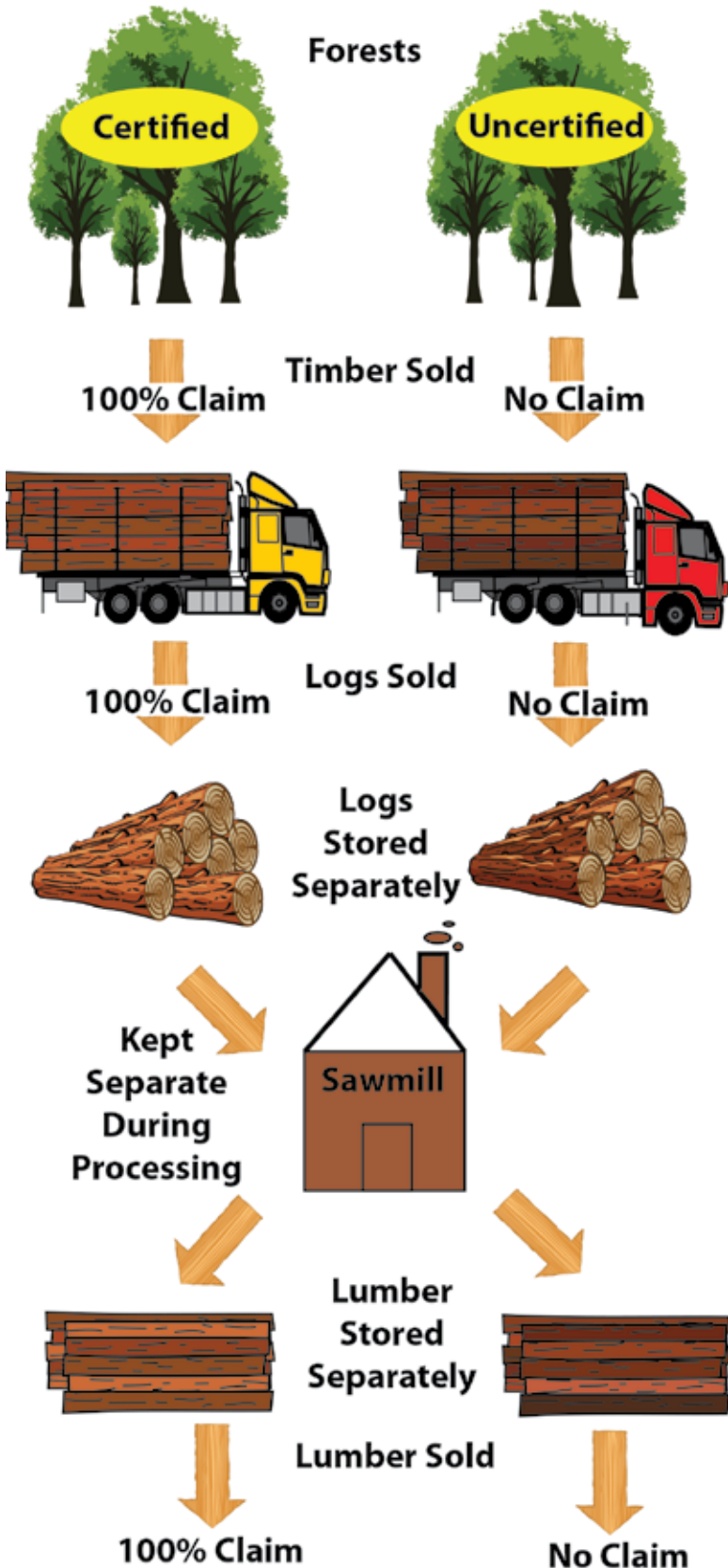
### ***100-Percent Claim***

If the client wants lumber that has a 100-percent claim this means they only want lumber that was sawn directly from logs harvested from a certified forest. If the mill has orders for lumber that requires a 100-percent claim, it must keep the certified wood separated and identified as 100 percent from the uncertified wood during storage, manufacture,

Figure 1

# 100 Percent Claim

Certified Wood Separated from Uncertified Wood



and shipping (see Figure 1). This practice would be very easy if ALL the wood the mill received was harvested from certified forests. However, in most instances there is not enough certified wood to run a mill, therefore they have to purchase both certified and uncertified wood. A mill might have to keep separate piles of logs, lumber, or chips, which is cumbersome for most mills, adds costs, and in some instances would be nearly impossible to achieve. The latter is the case for most pulp and paper mills. This situation results in most mills combining logs from both certified and non-certified forests during storage and manufacture.

So, when mixing occurs how can a mill still sell a certified product? The following example will illustrate how the CoC standards allow for this possibility. This example uses a mill buying logs by the board feet. However, the same principle applies to logs, pulpwood, or chips being purchased by the ton.

## Mixed Claim

Over a week multiple loads of logs from a certified forest come into the mill totaling 100,000 board feet (bf). The mill records the load ticket number, board feet, species and type/grade of the logs from each load it receives into their CoC system.

From mill studies the mill knows how much product is made from the logs. In this case, how many bf of lumber is produced from the 100,000 bf of logs. If the mill sells chips it could also determine the ton of chips produced from milling 100,000 bf of logs. For this example the lumber yield is 105,000 board feet of lumber. This lumber volume (and associated chip tonnage) is recorded and is now available for sale. The different certification systems allow mills to use several types of bookkeeping procedures to track how much certified product they have to sell. Some use a percentage, some use a credit system. This example describes a credit system, but the same basic principle applies for all systems.

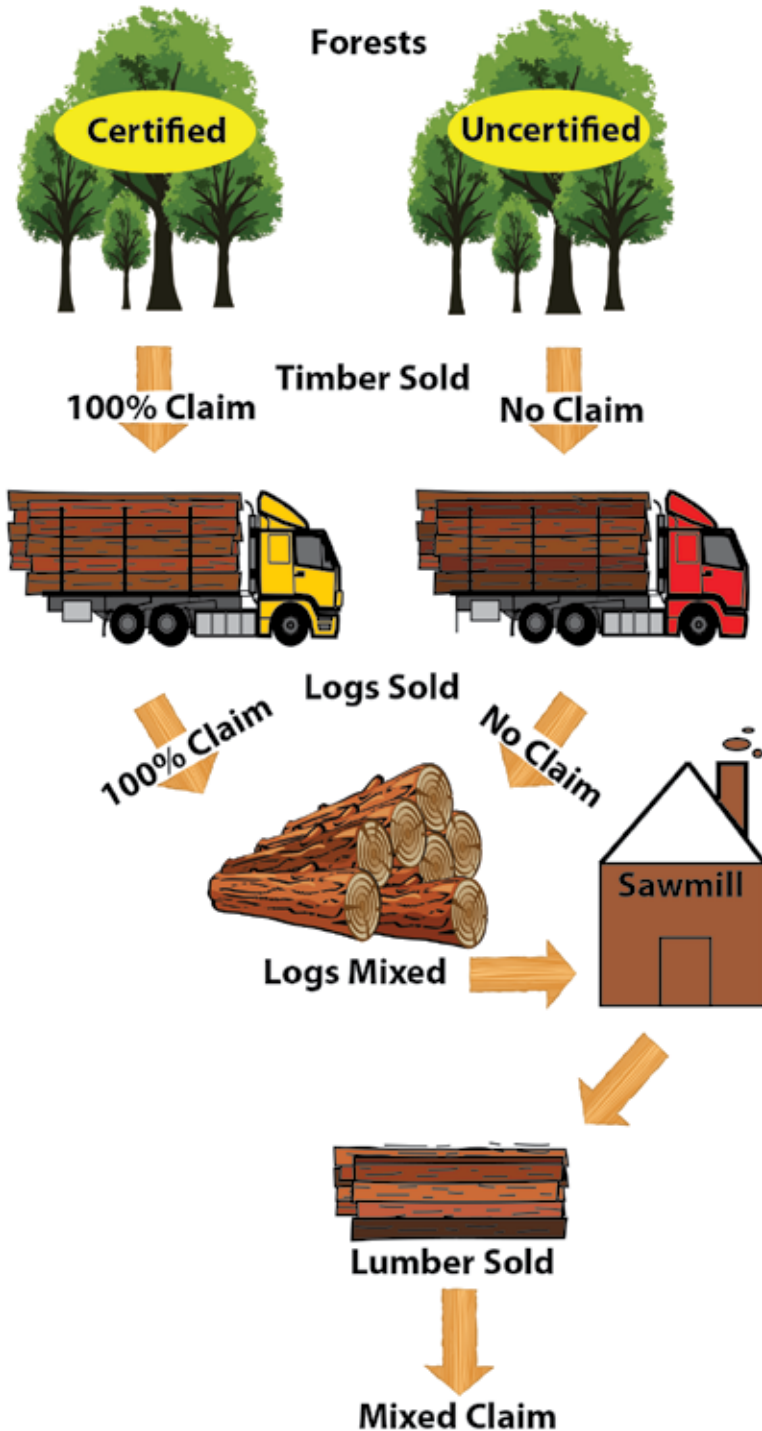
Once the amount of certified product is determined, the certified logs are then physically placed into log piles and the mill with uncertified logs and processed into lumber or chips as part of normal operations (see Figure 2). If there are no orders at that time for certified lumber or chips, the lumber or chips produced from the original 100,000 bf is sold to fill regular non-certified orders. However, the mill retains the board feet or tons of certified credits that it can sell when certified orders come in.

Two months later the mill gets an order for 50,000 bf of certified lumber. The mill has this quantity of certified credits in its credit account of the right species and product/grade and fills the order. The invoice would indicate 50,000 bf of lumber and have a mix credit claim, and 50,000 bf of credits would be deducted from the credit account. Note the claim is now mix credit and not 100 percent. The mix claim indicates that the logs used to produce the lumber may have not come from a certified forest. The mill can continue to sell certified lumber and chips as long as they have credits (in this example 55,000 bf remaining in their account). Once the credit account goes to zero for a particular grade

Figure 2

# Mixed Claim

Certified and  
Uncertified Wood Mixed



of lumber or chips they can no longer sell certified products of that grade until their credit account has been replenished. Credits in the credit account are only good for one year from the date they are entered into the account. After a year the credits disappear.

Several points arise from this example of the mixed system. One is that mix credit certified products may not actually contain wood that comes from a certified forest. The mixed product represents wood that at some point was purchased from a certified forest in the same quantities. This is allowable because there is no difference between the properties of wood that comes from uncertified forests and that from certified forests. However, the key point of this system is that it can prove that there were certified management standards used on an appropriate number of forest acres as a result of the purchase of mixed claim or labeled wood product. Thus the use of mixed products supports sustainable management, which is the whole goal of the forest and wood certification – promoting the proper management of our forests.

One important issue has not yet been addressed: What type of wood is allowed to be mixed with wood from a certified forest? The answer is not just any wood. The wood must be what is called controlled wood for FSC products and certified sourced wood for SFI products. Part 3 of this series will discuss what these terms mean and what ramifications this designation has for forest management.

**About the Author:**

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<sup>1</sup>The information and examples are designed to explain in general terms how tracking occurs in CoC systems. Differences between systems (SFI®, FSC® or PEFC®) exist, and different industries handle technical aspects of the CoC requirements differently.