



## CERTIFICATION REWARDS STEWARDSHIP AND ASSURES FUTURE MARKETS FOR MONTANA TIMBER

### FACT SHEET FOUR • SPRING 2013

*This fact sheet series highlights innovative ways that family forest and ranch owners are prospering from protecting and enhancing ecosystem services on their land. Ecosystem services are the benefits people receive from nature such as water quality, wildlife habitat, and carbon sequestration.*

**E**cologically sound practices often cost landowners more than less environmentally friendly tactics. However, some consumers are willing to pay more for the assurance of production practices they value. Third-party certification is a way to acknowledge sustainable production practices beyond what is required by law.

The market for such products is often new and relatively small, but one company is betting that in the future, certification will be essential to market access. A certified timber company and sawmill in Northwest Montana is using log-buying policies to incentivize certified sustainable forestry practices on private lands. Stewardship is rewarded, and both landowners and the mill benefit by being better prepared in evolving markets.

#### PARTNERS

F. H. Stoltze Land & Lumber, in the Flathead Valley of northwestern Montana, is among the state's few remaining sawmills. Like many other mills, Stoltze buys standing timber on public and private lands, harvests and mills it, then sells specialty wood and fiber products in both domestic and international markets. Stoltze sources half of its raw materials from small, privately owned forests. The Sustainable Forestry Initiative (SFI) and American Tree Farm (ATF) are two third-party certifiers of sustainable forestry practices. Stoltze holds a SFI "fiber sourcing certificate" and has been a member of American Tree Farm since 1966. Stoltze helps forest landowners get certified through the American Tree Farm System.

#### THE PROGRAM

Many sawmills in the West are chain-of-custody certified to handle both certified and uncertified wood through proper segregation and recordkeeping. Stoltze chose another route: As a certified fiber source, the company uses procurement policies to incentivize sustainable management, strongly encouraging private forests to be certified by either ATF or SFI, and favoring certified forests in their procurement. Small forest landowners are more likely to be certified by ATF than SFI because of the costs, but the two programs have a mutual recognition agreement.



Stoltze provides technical assistance and training to help landowners get certified, serving as a “go-to organization” for its landowner partners on all aspects of sustainable forest management. In this way, Stoltze is not only the middle man between landowners selling trees and the wood products market, but also between landowners and the certifiers.

With so few mills still operating in the region, market access is critical for private forest owners—without a buyer, forest landowners cannot sell their trees. In the absence of extensive state regulation of forest practices, Stoltze promotes good forest management through outreach and education. They provide landowner assistance services, utilize trained logging contractors, and conduct site visits to ensure procurement policies are followed. Certification is a mechanism the company uses to identify and support good land managers and educate landowners about beneficial practices.

### OUTCOMES

Forest management and harvest practices required by SFI and ATF certification are designed to improve the long-term sustainability and ecological health of forests. Certification validates good management practices and can help landowners become eligible for federal cost-share programs such as those offered through USDA’s Natural Resource Conservation Service.

Long-term viability is a central goal. Stoltze believes that these practices are the best way to ensure there will be trees to harvest in the future. As a landowner who sells to Stoltze explained, “They have a reputation themselves for doing excellent management, and that’s what they want to do—deal with people who do good management.”

Certified landowners can also benefit from better access to valuable market opportunities. When an SFI-certified mill like Stoltze develops markets for certified wood products, Stoltze can ask owners of certified forestland to help meet that market need.

### CHALLENGES AND FUTURE PROSPECTS

Price premiums for certified wood have so far proved elusive. Certification has a cost: monitoring, audits, and recordkeeping plus any expense associated with shifting practices to meet requirements. So is certification worth the cost and effort?

Stoltze is betting that it will be in the long run. More and more buyers, especially in Europe, demand only certified wood, and certification will likely be required in the future for most markets. As another Montana mill manager explained, “At some point in time, it will be no different than a grade stamp on lumber. Everyone will have to be certified” to have access to markets in the wood products industry. Long-term economic viability—for both the mills and landowners with trees to sell—is the benefit received for enhancing ecosystem services through responsible forestry.



### LEARN MORE

Stoltze website: <http://www.stoltzelumber.com/>

Sustainable Forestry Initiative:  
<http://www.sfiprogram.org/>

American Tree Farm: <http://www.treefarmssystem.org/>

For more information about the project and to read the full fact sheet series, go to:

[www.tinyurl.com/SNWEcosystemServices](http://www.tinyurl.com/SNWEcosystemServices), or contact:

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