

# Chain of Custody in Forest Certification Systems



In the forest products industry, chain of custody (CoC) is a system that tracks timber from the forest to the paper or lumber mill and then to the distributor, merchant, or printer. In other words, CoC is a paper trail that documents the progress through the stages of the supply chain that involve a change of legal ownership. These stages include processing, transforming, repackaging, relabeling, adding other forest-based components, manufacturing, and distributing.

As part of a forest certification system, CoC addresses consumer demand for ethically produced goods and services (Grande, 2007). In the case of forest products, this means

- making and supplying timber products that are harvested responsibly by professionals following Best Management Practices.
- managing forests using Integrated Pest Management techniques.
- reforestation to adequate stocking levels of desired tree species.
- protecting threatened and endangered flora and fauna.

Evidence of certification along the CoC is proven through sales documentation. The tracking must be an unbroken trail of accountability verified by an independent auditor in order to carry a CoC logo from one of the forest certification systems (e.g., Sustainable Forestry Initiative, Forest Stewardship Council). Those who are exempt from CoC certification include businesses that do not take legal ownership of the certified product, retailers, and end-users.

The following are the basic elements of a CoC management system:

- Quality management
- Type of product
- Material sourcing (proportion of wood fiber)
- Material receipt and storage
- Control of quantities and determination of certification claims
- Invoicing and transport documentation
- Product labeling

Several CoC certification types exist, and availability depends on the certification system.

1. **Individual CoC:** The standard for individual companies that manufacture and trade certified forest products.
2. **Project certification:** Objects or buildings built or renovated with wood or post-consumer reclaimed wood material.
3. **Group CoC:** Small businesses can form a group of operations to make certification easier.
4. **Multiple-site CoC:** This is for larger companies operating in multiple locations to make use of elements of scale.

Businesses are increasingly applying forest products CoC to their accounting practices. In a document distributed to its clients, the accounting firm Price Waterhouse Coopers (n.d.) noted:

Sustainability has found a seat in the boardroom and the executive suite. It has become a business imperative to decrease resource consumption and provide customers with environmentally sensitive products. While some businesses see sustainability as a series of potentially burdensome obligations, others may seize the opportunity to transform their operations, marketing messages, and product lines to improve efficiency, cut costs, and meet customer demand.

Certification systems are likely to play a large role in future forest management scenarios. It is important that Mississippi's forest landowners are aware of forest certification systems and the CoC process in order to take full advantage of opportunities to maximize forest economic and noneconomic values.

## References

- Grande, Carlos. 2007. Ethical consumption makes a mark on branding. *Financial Times*.
- Price Waterhouse Coopers. n.d. Growing Your Business: Greener Pastures.

## Additional Reading

- Gordon, J. Information Sheet 1967 *Forest Certification Systems in Mississippi*. Mississippi State University Extension Service.
- Gordon, J.S. & L. Garnett. Publication 2743 *Forest Stewardship Principles for Mississippi Landowners*. Mississippi State University Extension Service.

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