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Market share of certified wood more than doubles

In 2008 33.8% of the total consumption of sawn wood and wood based panels in the Netherlands was labeled with a certificate of sustainable forest management. 100% of the certified volume complies currently with the procurement regulations of the Dutch government. This share of total consumption is a substantial increase over 2005 when 13.3% of the total consumption was certified. This is the result of a study that Probos performed in 2009 for the Dutch government.

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Government targets

The Dutch government has formulated the target that in 2010 50% of the total wood consumption in the Netherlands should be of guaranteed sustainable origin. To test whether this target is being met, the share of sustainably produced timber on the Dutch market has been monitored, for the second time, by Probos in 2009 for the year 2008. This study is a sequel to the 2006 study, and makes it possible to show the development of market shares over time.

Within these studies the "source approach" was used to determine the market share. The volumes of certified wood were determined as they first enter the Dutch market. Then, the Dutch timber processors and producers of paper and/or paperboard and the Dutch importers of wood and paper (products) were approached. As a consequence of this method the market share presented in this study says nothing about the volume of certified products that can be identified as such by the end user.

Sustainably produced timber

Sustainably produced wood is in this study defined as wood coming from forests that are certified under a certification system that is approved by the Dutch Timber Procurement Assessment Committee (TPAC, www.tpac.smk.nl) and thus meets the criteria in the TPAS (Timber Procurement Assessment System). The following systems currently meet these criteria: FSC International and PEFC international, excluding MTCS that is not yet regarded as being sustainable by the Dutch government.

Certified timber in 2008

In 2008 a volume of almost 2.2 million m³ of roundwood equivalents (rwe) was brought to the Dutch market with a certificate of sustainable forest management. This is 33.8% of the total Dutch consumption of sawn timber and wood based panels in 2008 (table 1). The market share of sustainably produced timber on the Dutch market has more than doubled from 2005 when the market share was 13.3%. 100% of the volume of certified sustainably produced sawn timber and wood based panels on the Dutch market, meets the procurement criteria of the Dutch government.

Certification by product group

There is much variation between product groups in the share of certified sustainably produced wood (figure 1). For sawn softwood, for example, 46% of the marketed volume had a certificate of sustainable forest management in 2008. For tropical sawn hardwood this share is much lower: 15.5%. It is not surprising that the share of certified wood for sawn softwood is three times higher than for tropical sawn hardwood. The sawn softwood comes from countries where between 60% and 97% of the forest area is certified, while the area of tropical forest that is certified still lags far behind. The increase in area of tropical forests certified by FSC, particularly in the Congo Basin in Africa, in 2005-2008, is clearly reflected in the development of the share of certified sustainably produced tropical sawn timber. This proportion almost doubled between 2005 and 2008. So increasing the certified forest area in the tropics clearly results in an increase of the market share of certified wood within this product group.

The certification systems

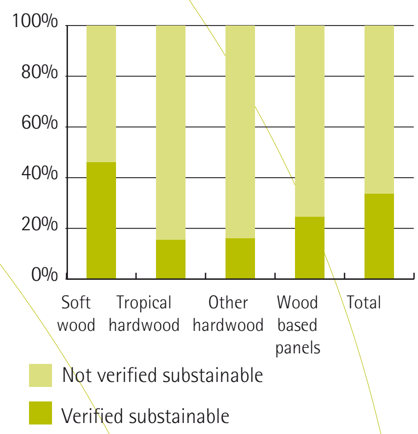
The distribution of certified forest areas is also reflected in the market shares of FSC and PEFC. As the PEFC certified forest area in the temperate (softwood) zone is much larger, PEFC has almost twice as high a market share

Table 1 The total volume of certified sawnwood and wood based panels on the Dutch market in 2005 and 2008 (in m³ rwe)

	FSC	PEFC	CSA	SFI	Total	In %
Total market 2008*					6,442,865	
With certificate 2008	747,870	1,423,674	2,831	5,254	2,179,629	33.8%
With certificate 2005	588,810	247,609	0	0	843,727	13.3%

* *The figures for the "total market" are based on the annual Probos/CBS production- and trade statistics for wood- and paper products. Wood products, such as doors, window frames, (garden)furniture etc., are not included in the figures for the total market.*

Figure 1
The ratio between the volume of certified sustainably produced wood by product group and total wood consumption in the Netherlands in 2008



as FSC. The market share for PEFC in this study is 22.1% and 11.6% for FSC (table 2). As a result, 66% of the certified sawn timber and wood based panels on the Dutch market has a PEFC certificate and 34% has a FSC certificate. In 2005, the market shares of PEFC and FSC were respectively 3.9% and 9.3%. The sharp rise in PEFC is mainly explained by the fact that in 2008 sawn softwood was purchased with a PEFC certificate by the members of the Royal Dutch Timber Trade Federation, while this was hardly the case in 2005.

Shares of certified wood in construction and civil engineering

From 2010 onwards, the Dutch government is committed to 100% sustainable procurement. This means that the national government, for example, should use sustainability as a significant criterion for the procurement of all the products and services they procure. The government through its procurement policy mainly affects the construction sector and in particular civil engineering. As a consequence, the proportion of sustainably produced wood within these two sectors was the subject of special analysis. In the Netherlands, 74% of the total market volume of certified sawn timber and wood based panels is consumed by the construction sector and civil engineering.

Table 2
Market shares per certification system

	With certificate
FSC	11.6%
PEFC	22.1%
CSA	0.0%
SFI	0.1%
Total certified	33.8%

Probos estimates that in 2008 approximately 3 million m³ rwe of sawn timber and wood based panels were consumed by the construction sector and civil engineering. 51% of this volume entered the construction process with a certificate for sustainable forest management. Within the volume that is processed by the civil engineering sector (approximately 250,000 m³ of mainly tropical hardwoods), the share of certified wood products is 28%. Major steps have to be taken, especially for tropical and temperate hardwoods and wood based panels. 24% of hardwoods consumed by the construction sector and civil engineering is certified and 36% of panels (table 3). In contrast 80% of the sawn softwood that is consumed by the construction sector in 2008 had a certificate for sustainable forest management, at the beginning of the construction process.

Verified legal

The debate surrounding illegal logging is mainly conducted around tropical forests. Therefore, in this study the emphasis regarding legal origin is put on tropical sawn hardwood. In 2008, 150,000 m³ rwe (20%) of the total consumed volume of tropical sawn hardwood consumed in the Netherlands was of verified legal origin (TLTV, OLB and VLO / VLC) or had a certificate for sustainable forest management that has the status of legal according to the Dutch government (MTCS). Of this volume, 71% meets the criteria for verified legal in the Dutch public procurement policy (in 2008 this applied to TLTV and MTCS).

46% of the softwood had a certificate of sustainable forest management in 2008 (photo Mark van Benthem, Probos)

Certified paper and paperboard

Besides the share of certified sustainably produced timber, the share of certified paper and paperboard on the Dutch market was also monitored. A distinction was made between the origin of the raw material for the Dutch paper and paperboard production and the

Table 3
Certified wood within the Dutch construction and civil engineering sector in 2008 (in m³ rwe)

Product group	Total volume	Certified volume	Share certified
Sawn softwood	1,321,000	1,055,000	80%
Sawn hardwood	511,000	121,000	24%
Wood based panels	1,164,000	423,000	36%
Total certified	2,996,000	1,599,000	53%

Stichting Probos Postbus 253 6700 AG Wageningen
tel. +31(0)317-466555 fax +31(0)317-410247 mail@probos.nl www probos nl

Netherlands to produce paper and paperboard had a certificate of sustainable forest management. Using this pulp and recycled paper, the Dutch producers of paper and paperboard produced 898,000 tons of certified paper. This represents 30% of the Dutch paper and board production. 20% of this volume is put on the Dutch market, while the rest is exported.

The volume of certified paper available on the Dutch market consists of a volume produced in the Netherlands and a volume that is imported by chain-of-custody (CoC) certified companies. The Dutch CoC certified companies in 2008 put 53,000 tonnes of FSC and PEFC certified paper on the Dutch market. Altogether 236,000 tonnes of certified paper and paperboard were available on the Dutch market in 2008 (table 4). This corresponds to 6% of total Dutch consumption (about 4 million tons) of paper and paperboard. This is a significant increase compared to 2005 when the market share was less than 0.1%, but nevertheless the share is still rather low.

Forecast for 2011

By looking at the trend in the share of certified wood within the volume of sawnwood and wood based panels that is imported by the members of the Royal Dutch Timber Trade Federation (VVNH) in the period 2006-2009, and taking into consideration the expectations of the respondents, it is possible to estimate the expected market share in 2011. Probos estimates that the market share of certified sawn timber and wood based panels in 2011 will account for 43%. To achieve this growth, the volume of certified wood in the Dutch market, should increase by 10% every year. Growth is expected to be less than in the previous three years. The growth mainly has to come from tropical and temperate sawn hardwoods and wood based panels. Compared to sawn softwood, which in recent times had the largest share in the growth of the total market share of certified material, it will take more effort to increase the certified timber volumes in the other product groups.
It is expected that the Dutch producers of wood packaging will increase their processing of certified wood in the short term. The market share of certified material could rise further if this increase in the use of certified wood were substantial. If that is the case the Dutch government's 50% target in 2011 will perhaps be achieved.
The share of certified paper and paperboard in the Dutch market is expected to increase to 9% in 2011 according to the manufacturers and importers of paper and paperboard.

Table 4
Volumes and market shares of certified paper and paperboard (in tons and %) in 2008

FSC	110,000	2.8%
PEFC	126,000	3.2%
Total certified	236,000	6%

Conclusion

The results from this study show that compared to the baseline study in 2006, major steps have been taken towards reaching the government target of 50% of certified wood in 2011, but this does not mean we can sit back. Much of the low-hanging fruit (sawn softwood) has already been picked. To pick the rest of the fruit (especially tropical sawn hardwood and (tropical) wood based panels) greater efforts are needed. The results of the next round of this monitoring in 2012 will show if the current efforts are sufficient to increase the market share by another 20%.

Jan Oldenburger
Annemieke Winterink
Nico Leek

The share of certified tropical hardwood almost doubled since 2005 (photo Mark van Benthem, Probos)