

A TEMPORAL VIEW OF U.S. VALUE-ADDED WOOD PRODUCT MANUFACTURERS AND CERTIFICATION: 2001, 2007 & 2014



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Outline

- *Why* do the studies?
- *How* did we do the studies?
- Results
 - All respondents
 - Certified respondents
- Conclusions

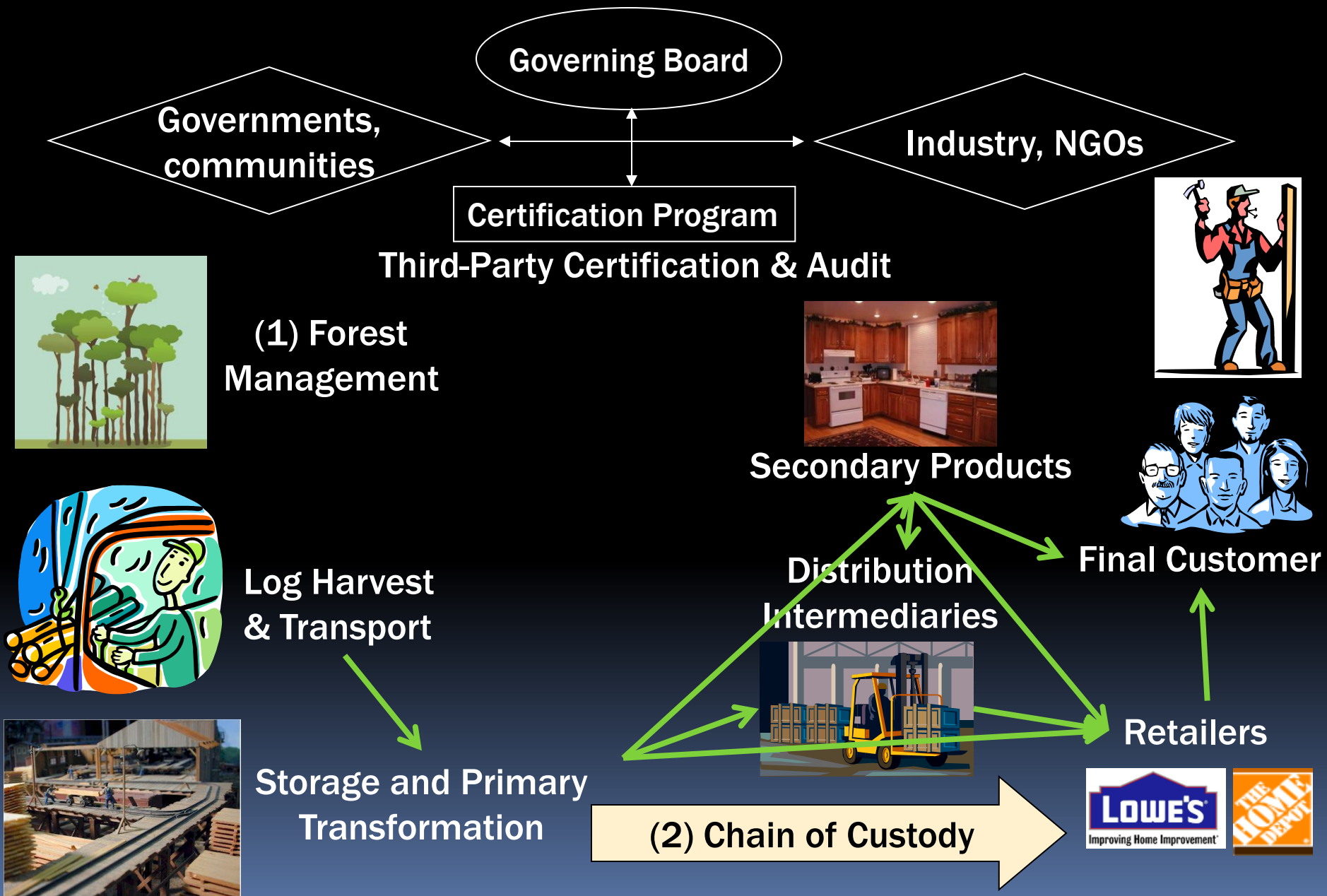
Why did we do the studies?

- Certification has been on an accelerated growth path for the past 25 years .
- To identify value-added wood industry perspectives and participation in certification over time.
- To see what has changed in the industry in the past 14 years.

How did we do the studies?

- 2001: Paper-based mail survey
- 2007 & 2014: Web-based, anonymous using SurveyMonkey
- Worked with associations to send survey link to members and aid in the survey mailing process:
 - Association for Retail Environments (A.R.E.)
 - Architectural Woodwork Institute (AWI)
 - Business and Institutional Furniture Manufacturer Association (BIFMA)
 - Kitchen Cabinet Manufacturers Association (KCMA)
 - National Hardwood Flooring Association (NHFA)

Generalized Certification Program Structure



Major Certification Programs



FSC: Founded in 1993 in response to public concern about tropical deforestation and demand for an international wood-labeling scheme.

SFI: Developed by the American Forest & Paper Association in 1995. The major certifier in North America.

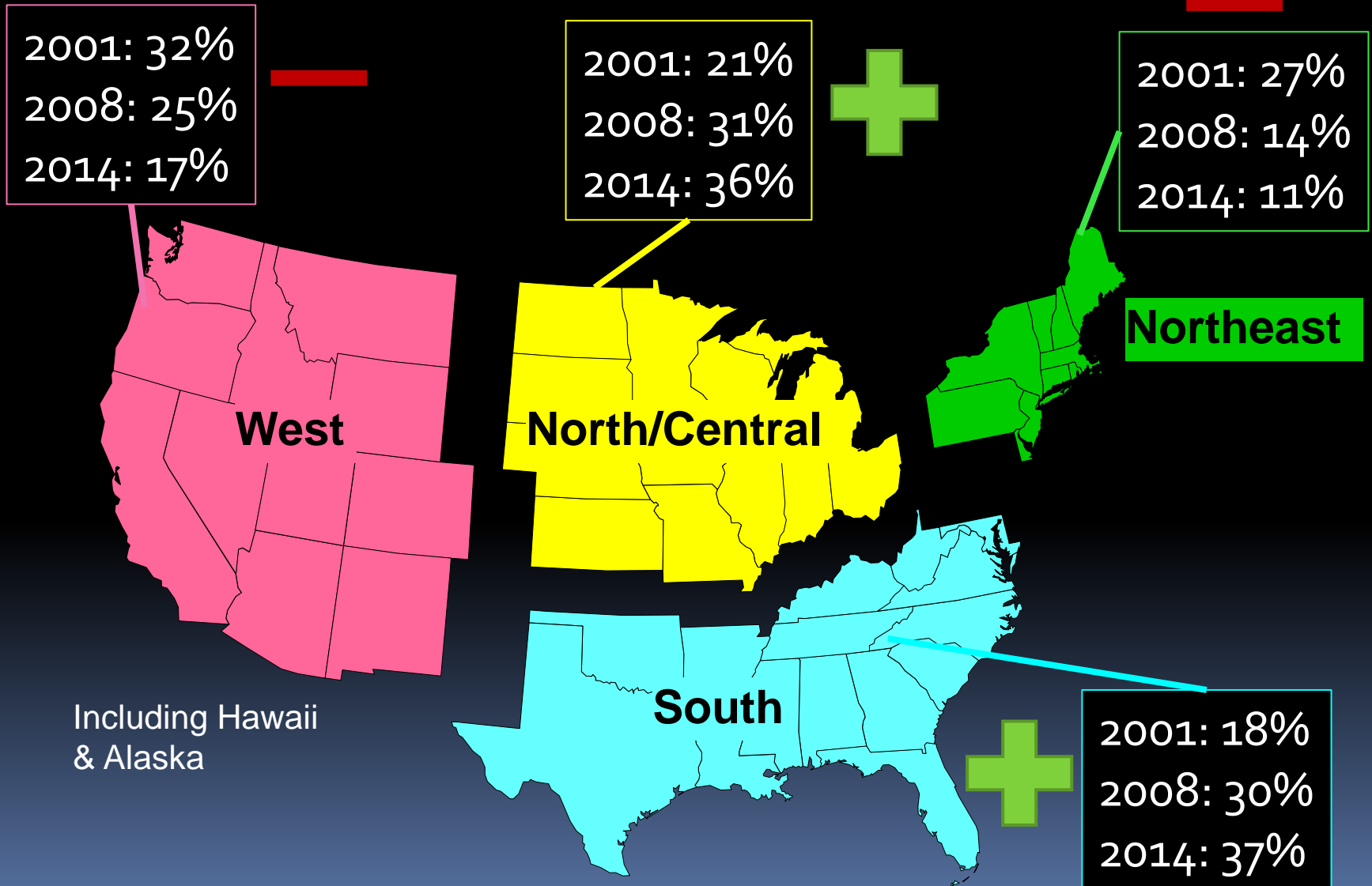


PEFC (Programme for the Endorsement of Forest Certification schemes): Launched in 1999, created by the European industry as an overarching certification program.

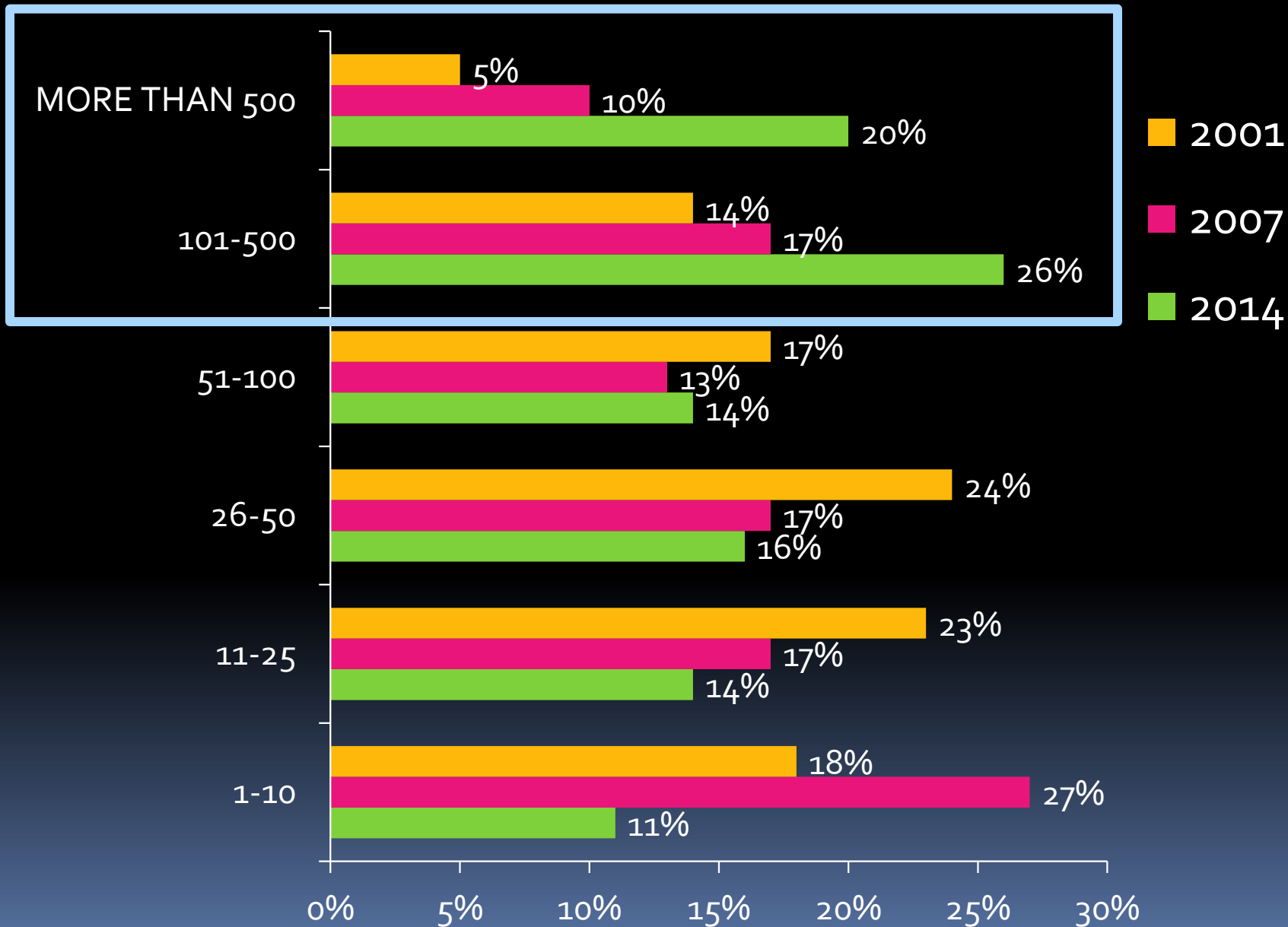
Results

Comparisons of
Responses from the Three Studies
for Common Questions

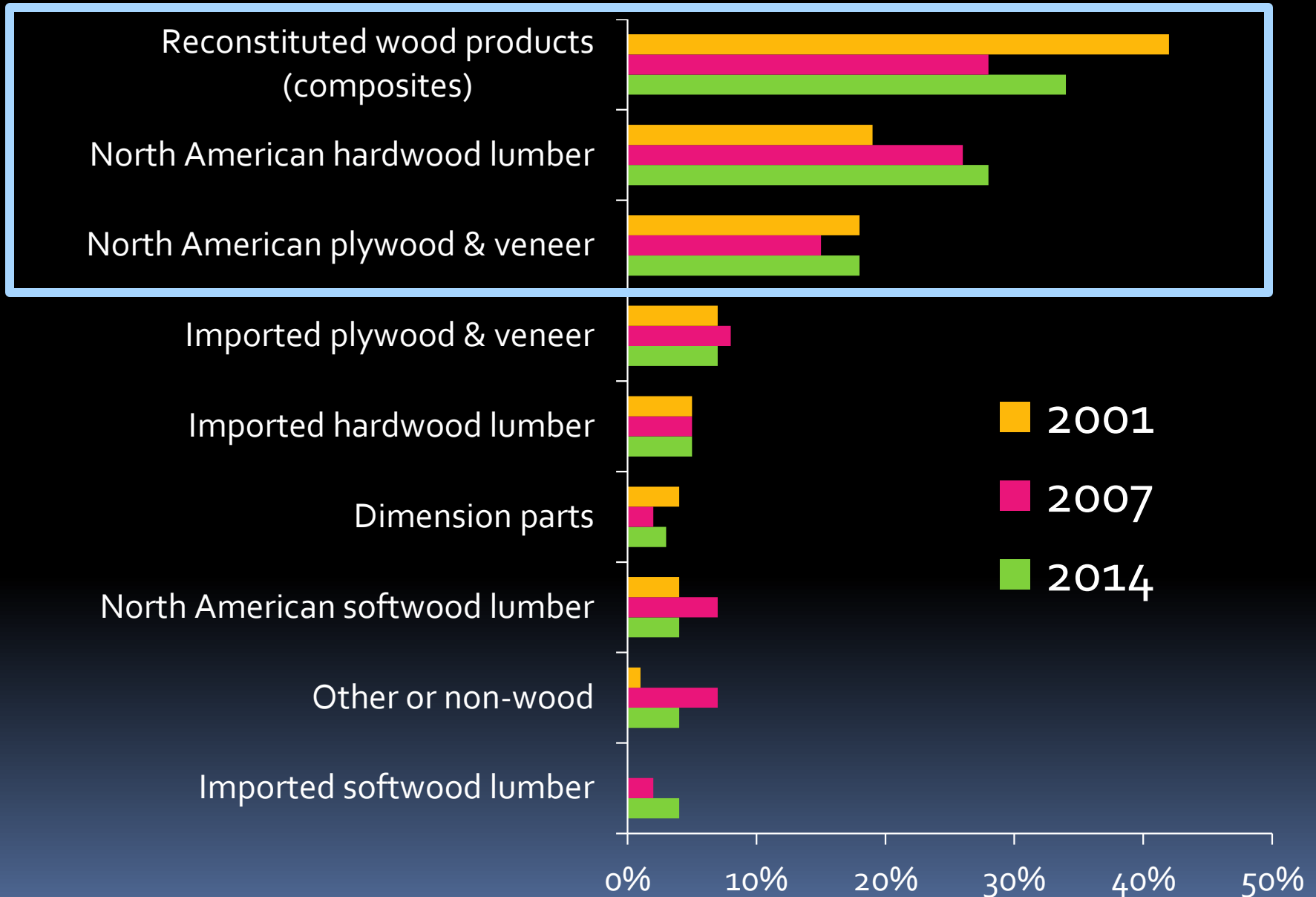
Respondent Corporate Headquarters Location (% of respondents) (2001: n=294; 2007: n=464; 2014: n=263)



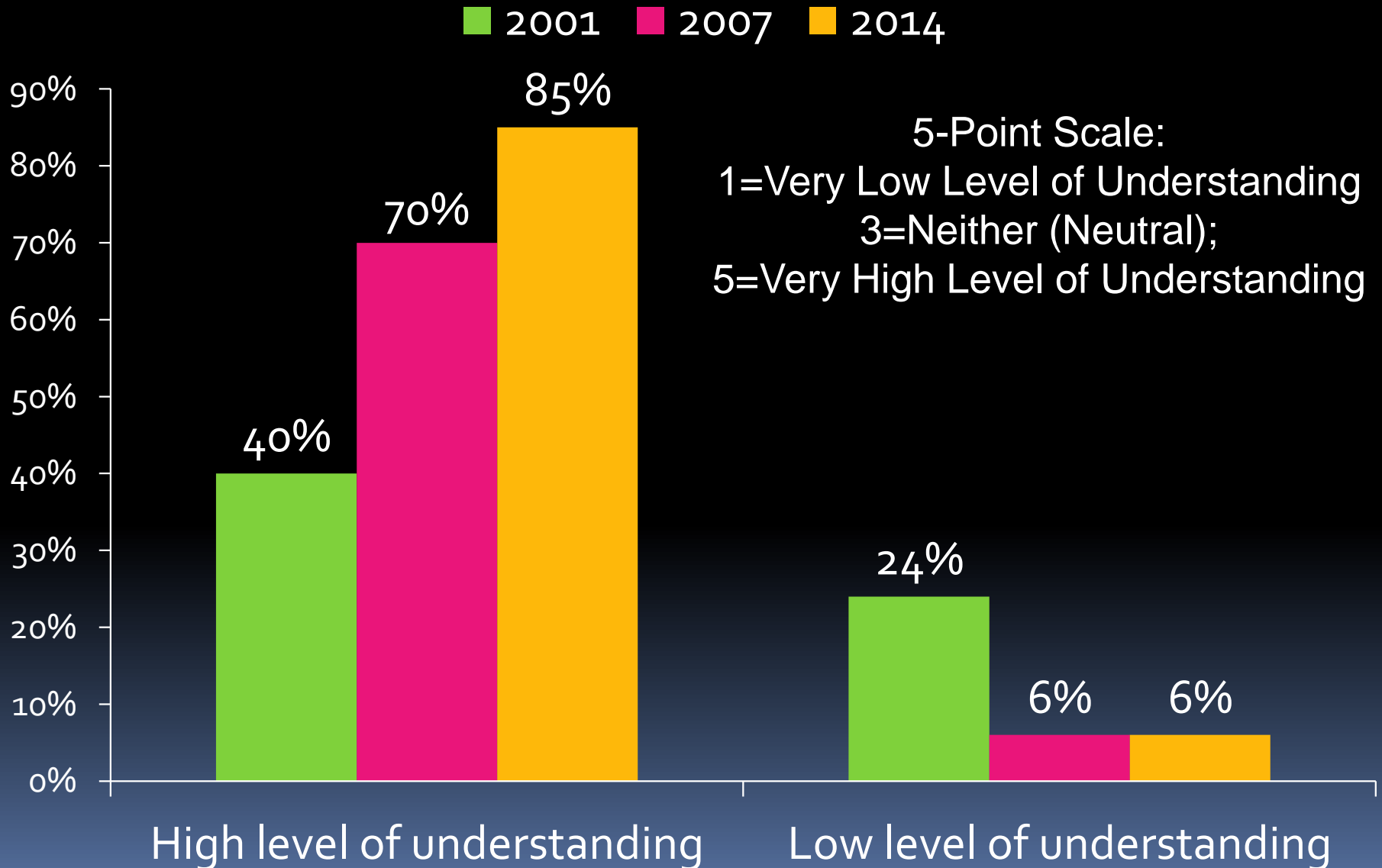
Number of Full-time Employees (% of respondents) (2001: n=294: 2007: n=461: 2014: n=263)



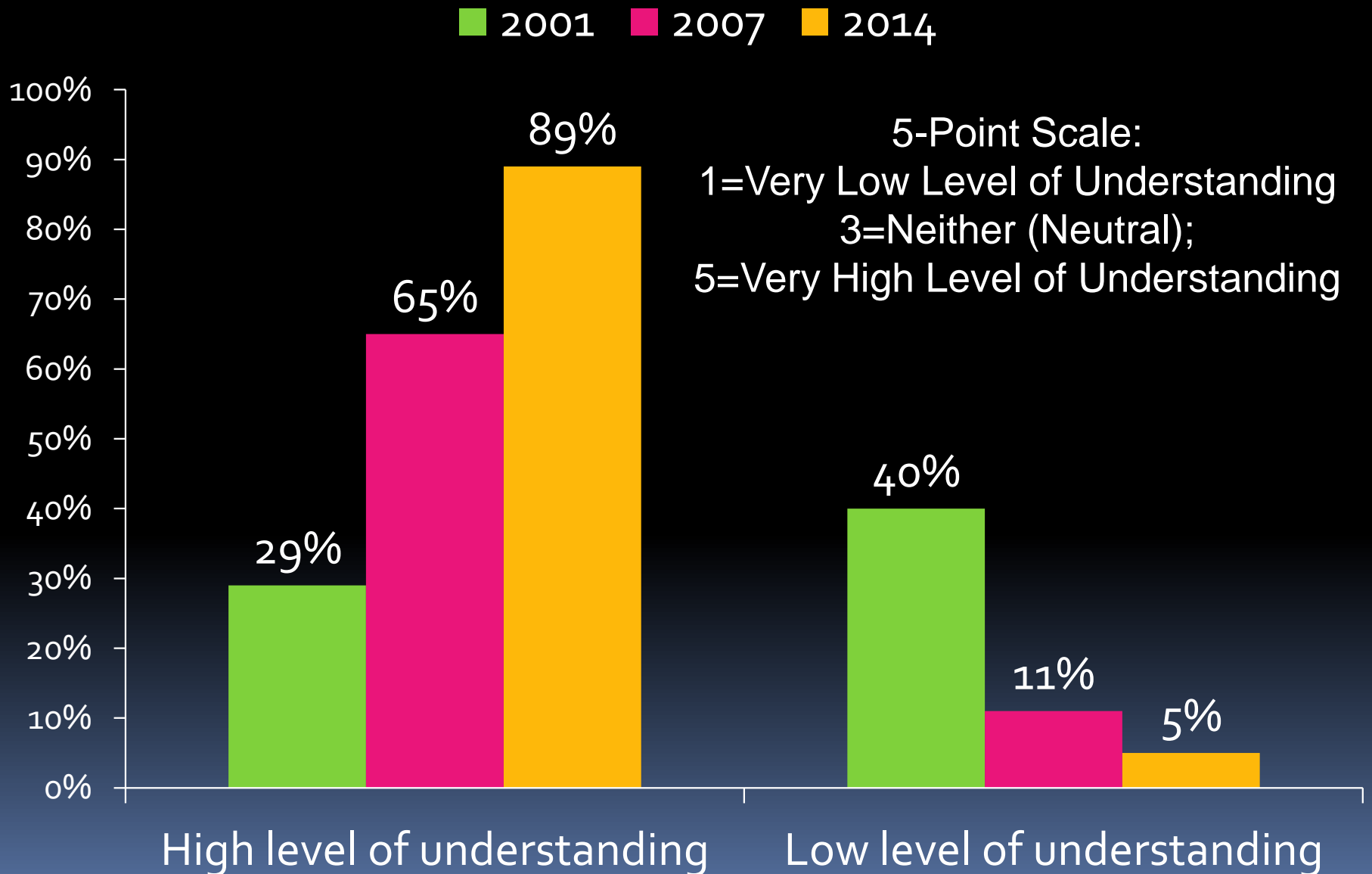
Wood raw materials used in production processes in 2001, 2007, 2014
(mean % by **value**) (2001: n=270; 2007: n=416; 2014: n=263)



Level of understanding of **forest management certification**
(mean % by **value**) (2001: n=270; 2007: n=416; 2014: n=263)



Level of understanding of **chain-of-custody certification**
(mean % by **value**) (2001: n=270; 2007: n=416; 2014: n=263)



Certification Questions=All Respondents

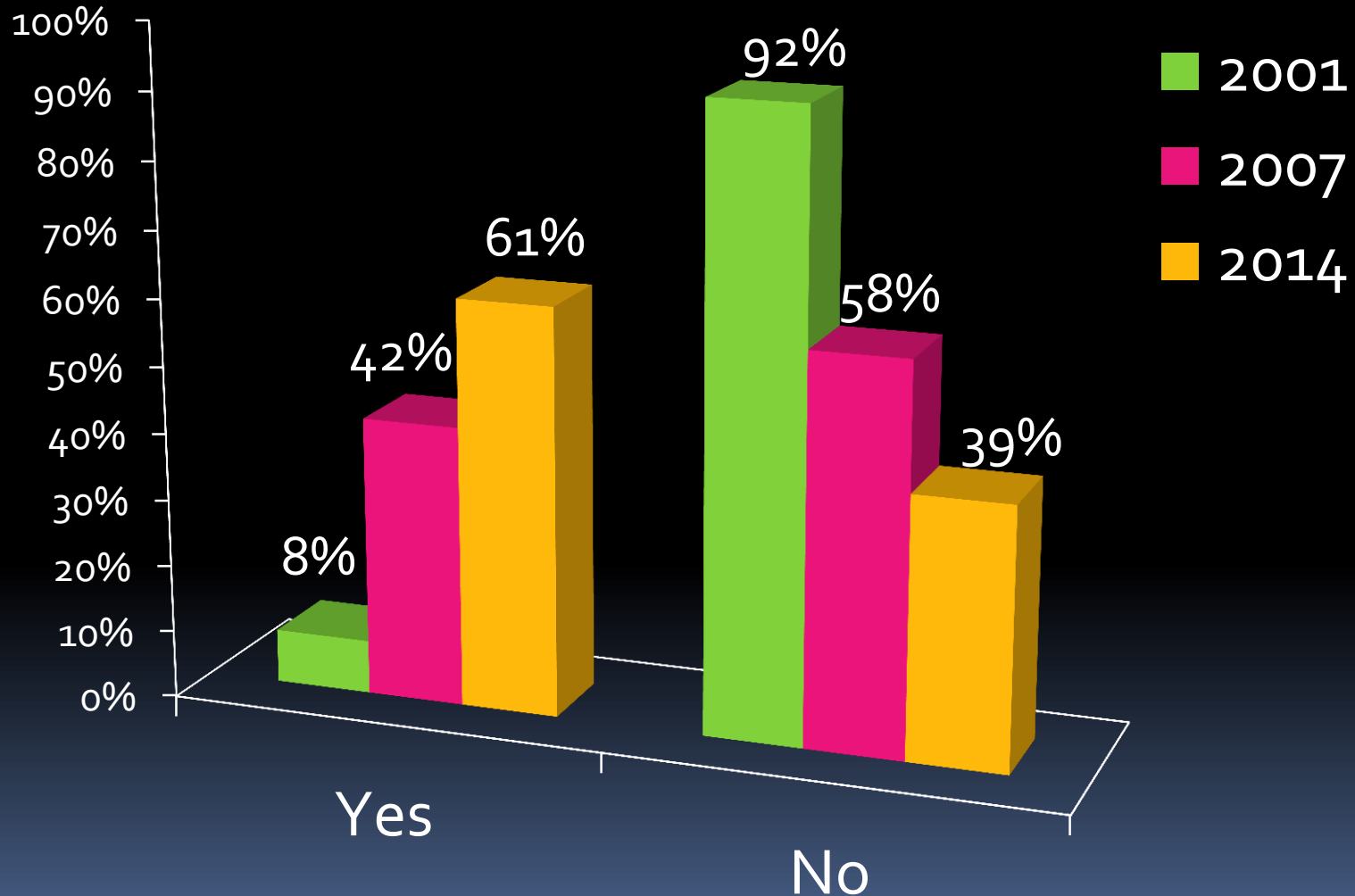
(5-point Scale: 1=Significantly disagree; 3=Neutral; 5=Significantly agree)

(2001: n=270; 2007: n=416; 2014: n=263)

2001 2007 2014



Does your company sell certified wood products?
(% of respondents) (2001: n=270; 2007: n=464; 2014: n=263)



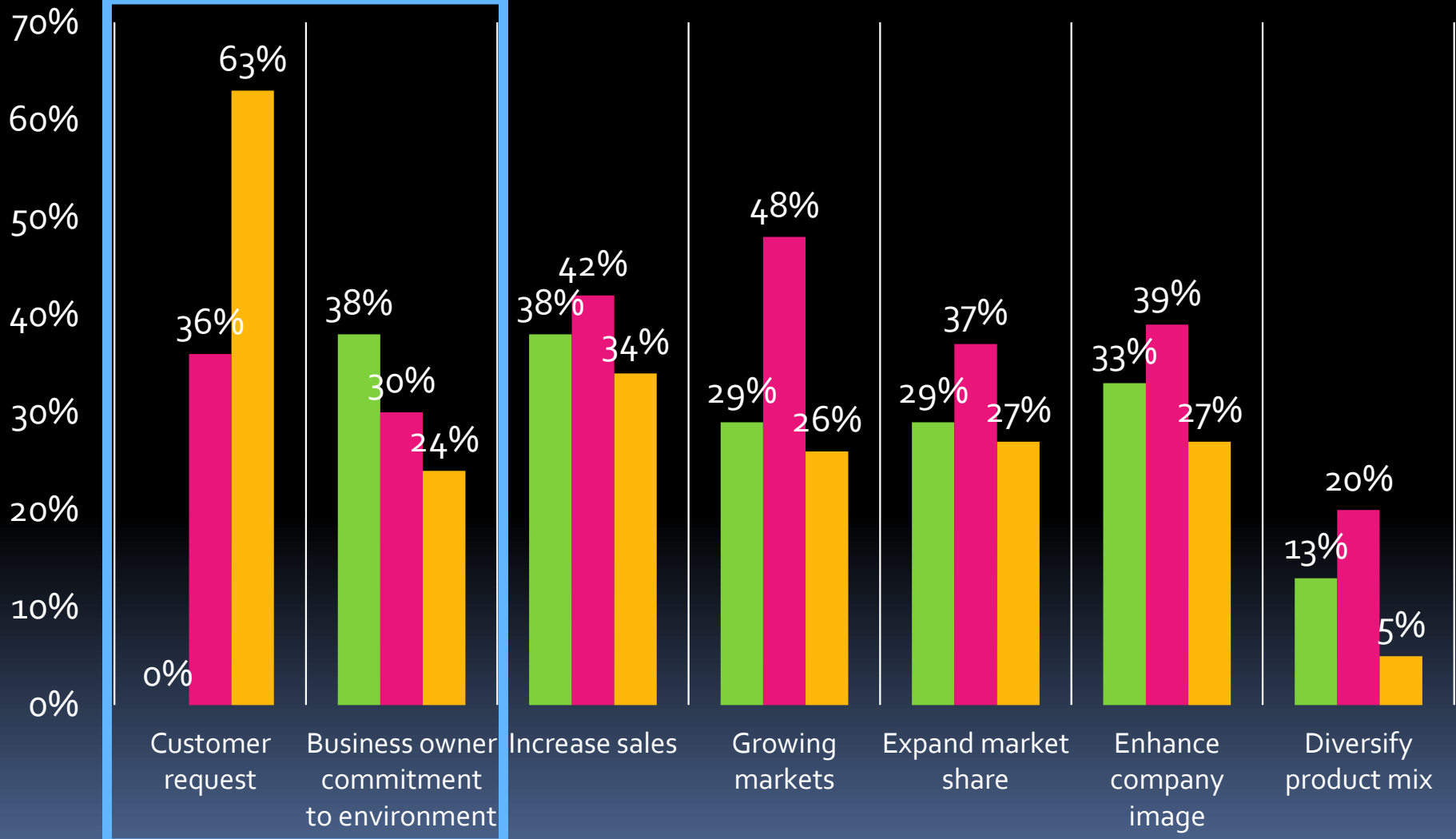
Results

Respondents that
Manufactured/Sold
Certified Wood Products

(2001: n=22; 2007: n=195; 2014: n=105)

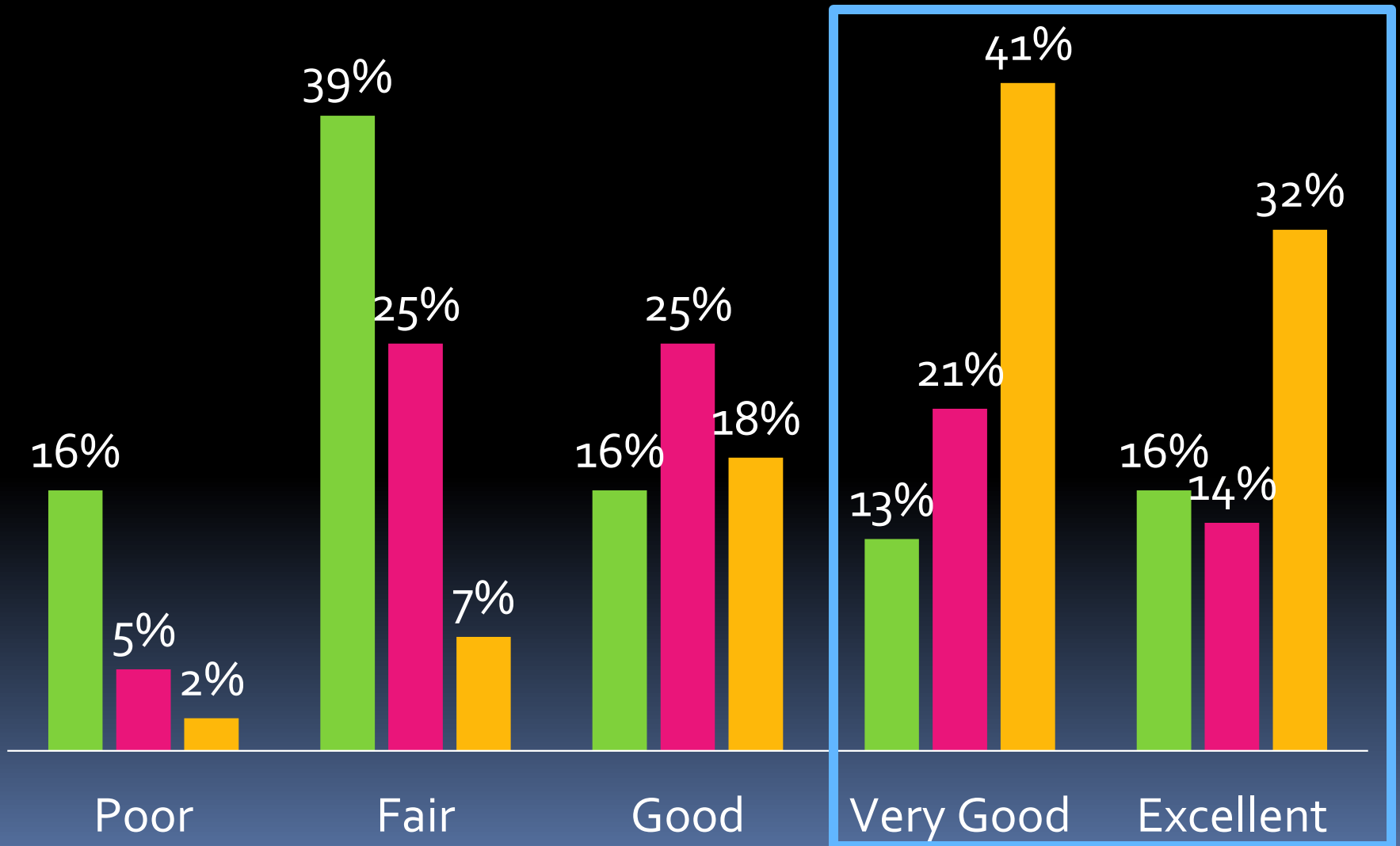
Why did your company get involved in certification? (% of respondents) (multiple responses possible)

2001 2007 2014



How would you characterize your level of understanding of the certification process for the certified raw materials you purchase? (% of respondents)

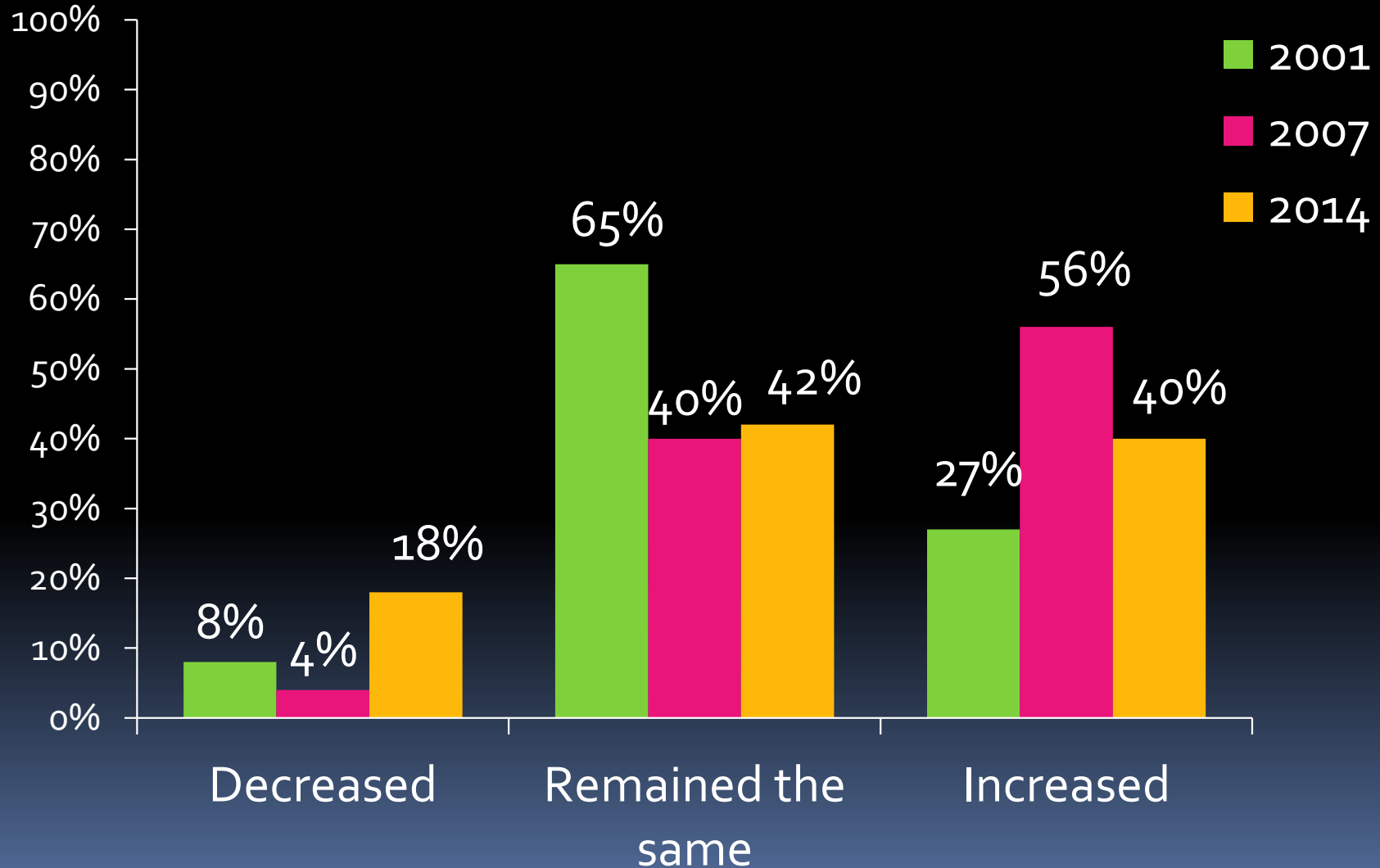
2001 2007 2014



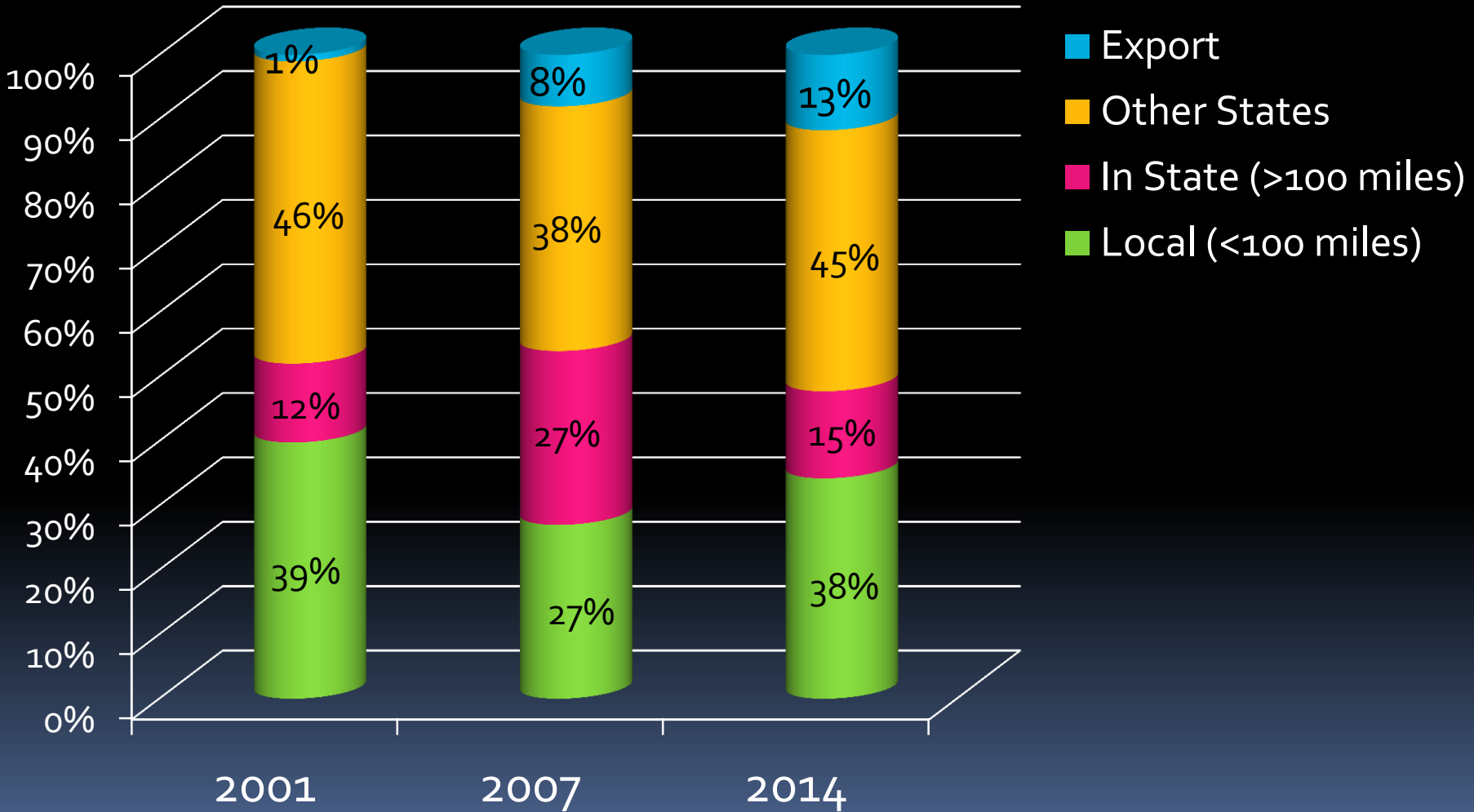
Costs and sales of certified wood products (means)

	2001	2007	2014
Approximately what percentage of your wood products purchase costs in were attributed to certified wood products?	14%	20%	33%
Approximately what percent of total company sales value was from certified products?	10%	21%	22%
What is the approximate value (in \$US) for certified products sold by your company?	\$0.72 Million	\$9.4 Million	\$3.9 Million

How has your company's sales volume of certified products changed over the past 5 years? (% of respondents)

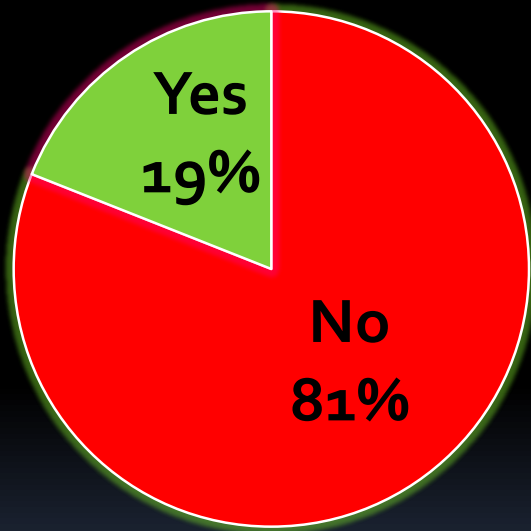


Where are the customers of your company's certified wood products located? (% of respondents)

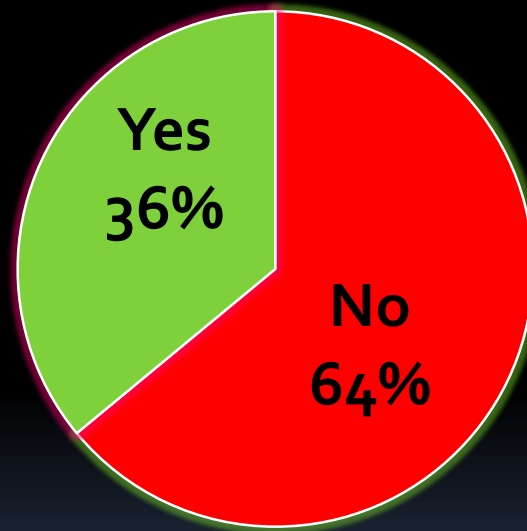


Does your company have Chain-of-Custody certification? (% of respondents)

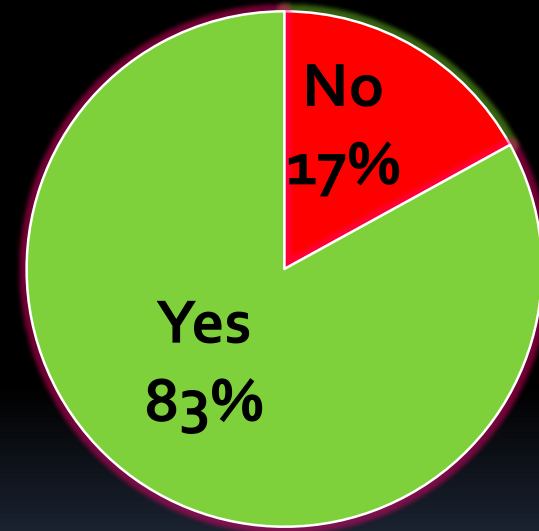
2001



2007

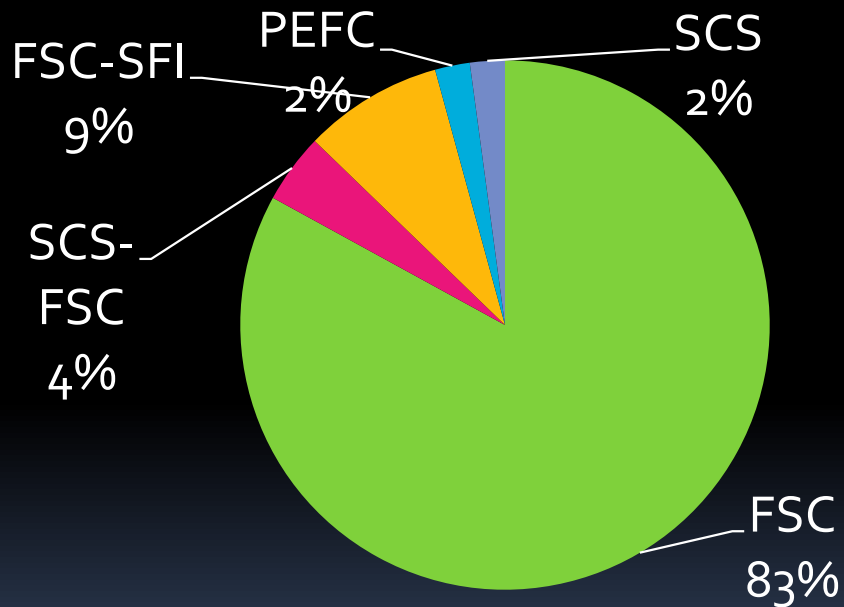


2014

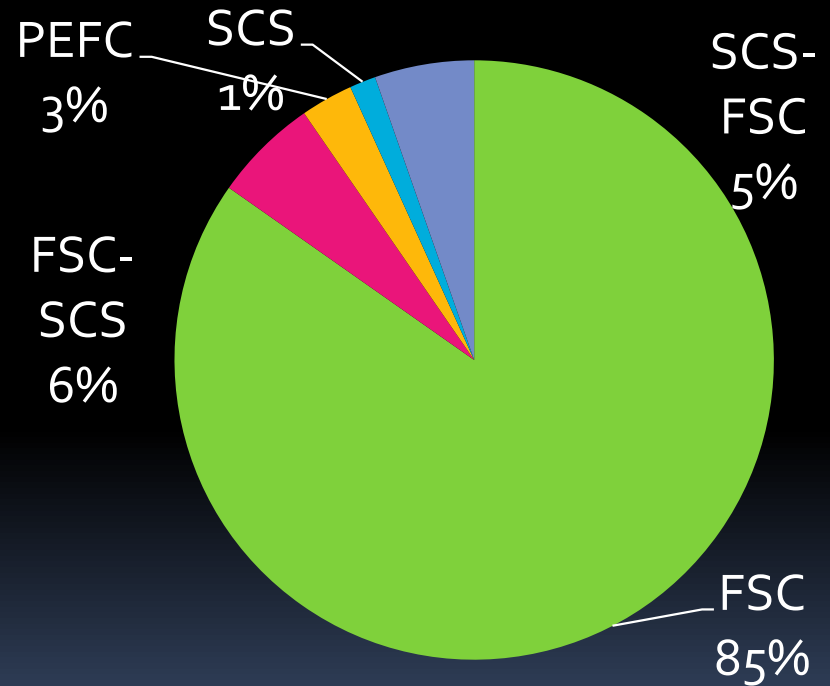


Chain-of-Custody certifier – (if currently do have) (% of respondents)

2007

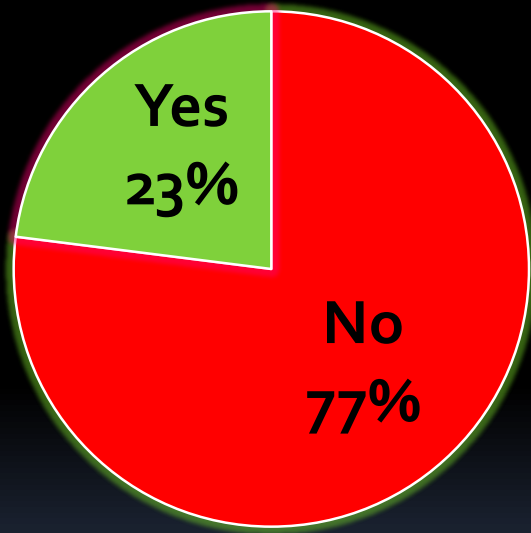


2014

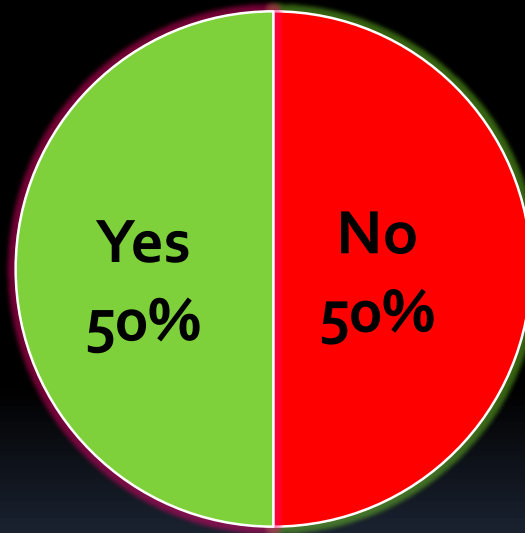


Has your company requested
that your suppliers become certified??
(% of respondents)

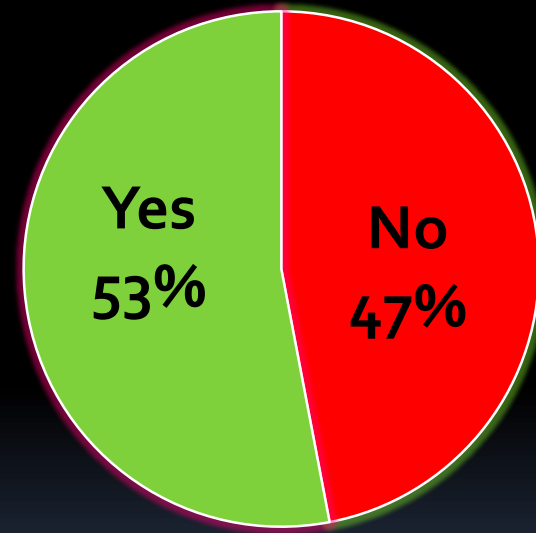
2001



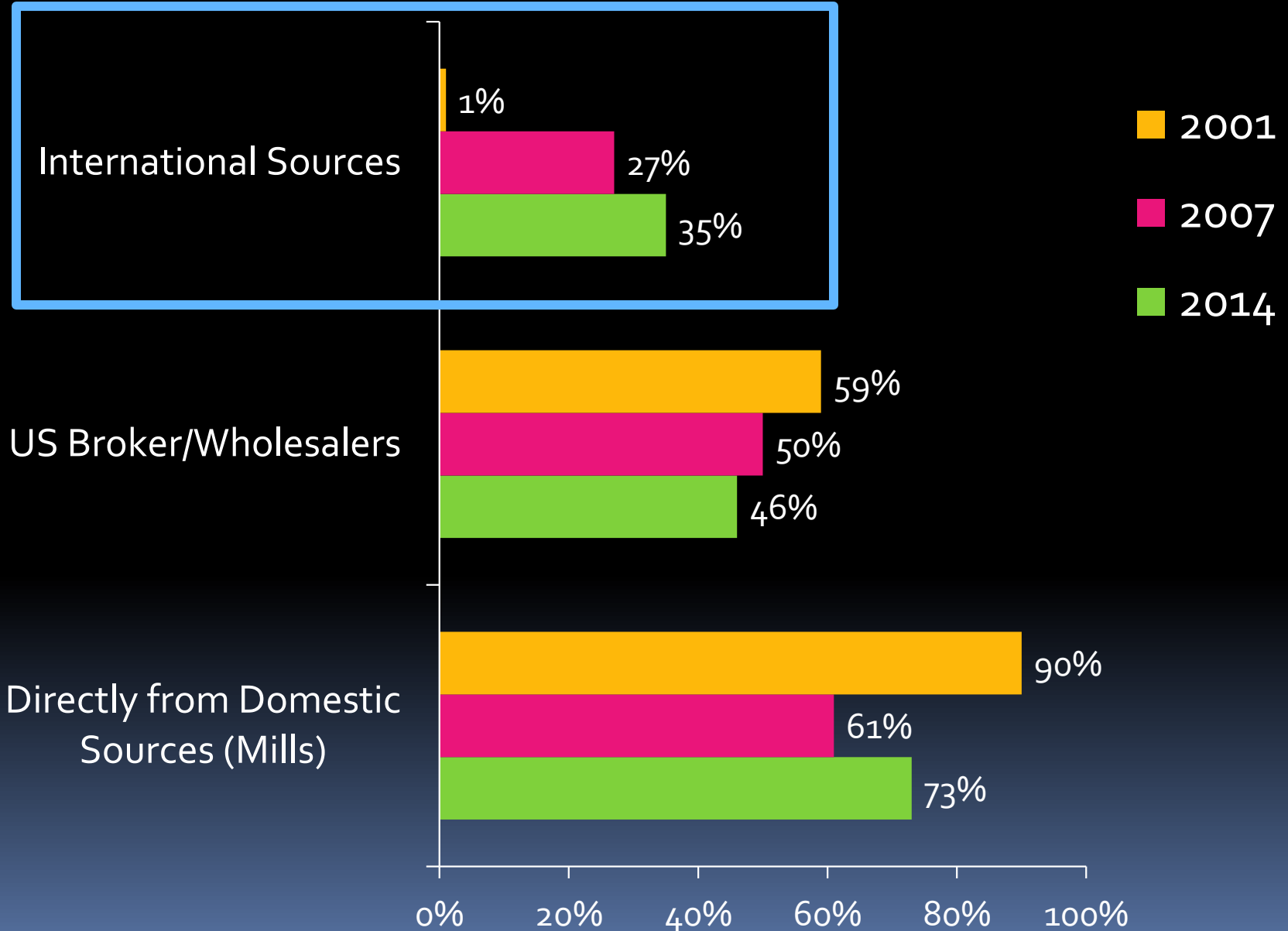
2007



2014

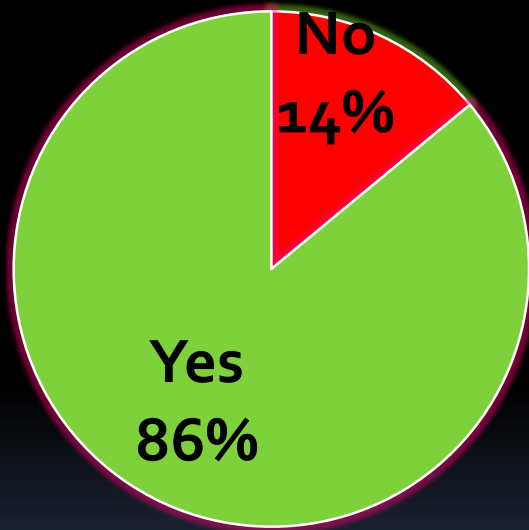


Where does your company purchase its certified wood products? (% of respondents) (*multiple responses possible*)

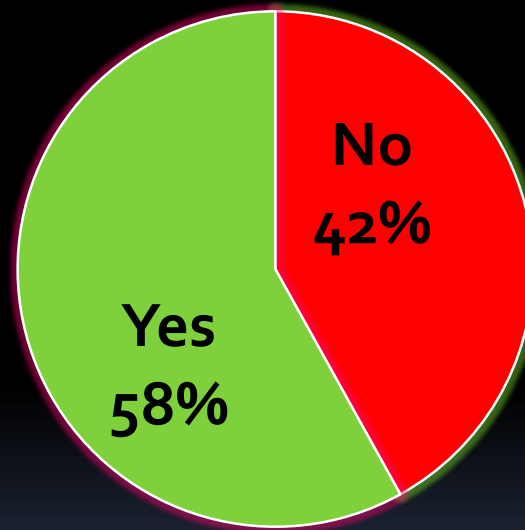


Does your company *pay a premium*
for certified raw materials?
(% of respondents)

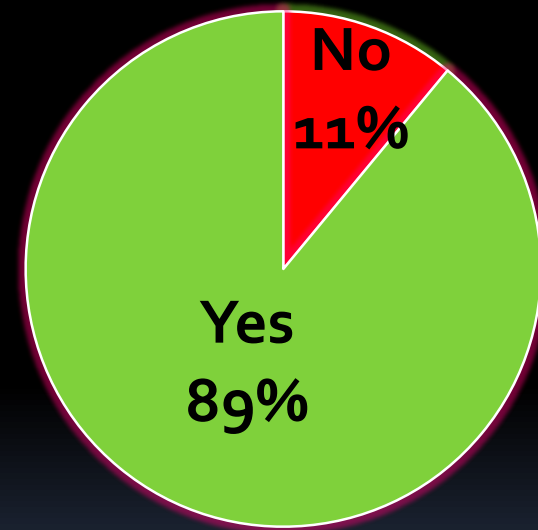
2001



2007

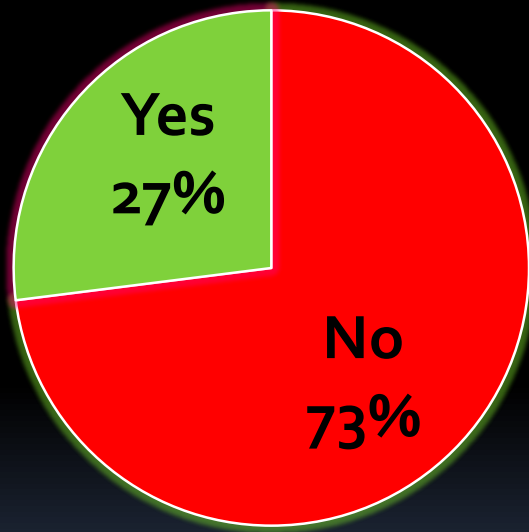


2014

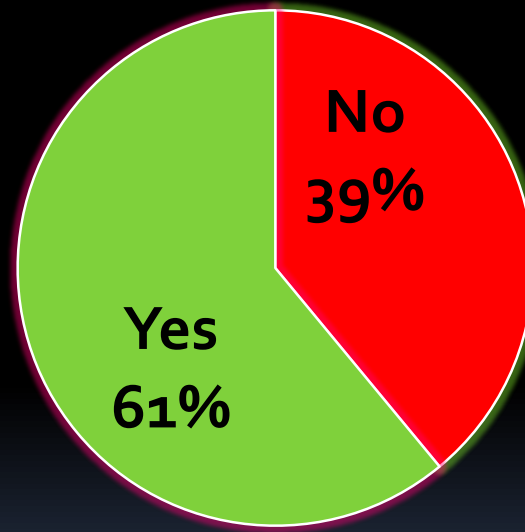


Does your company *receive a premium*
for certified products that you sell?
(% of respondents)

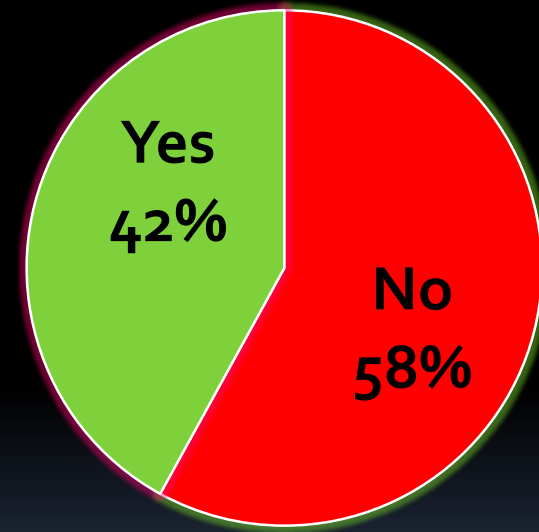
2001



2007

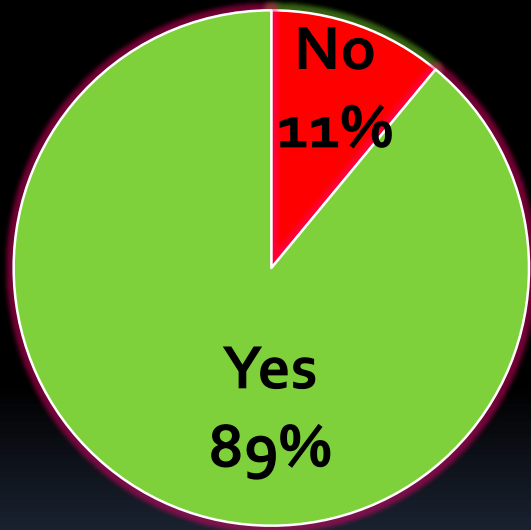


2014

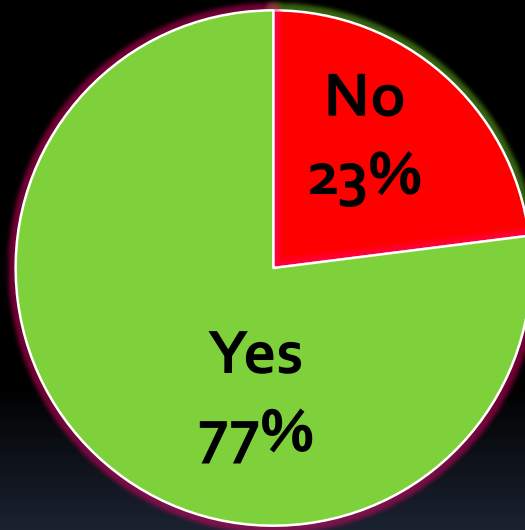


Does your company *incur any additional costs to provide* certified products to your customers?
(% of respondents)

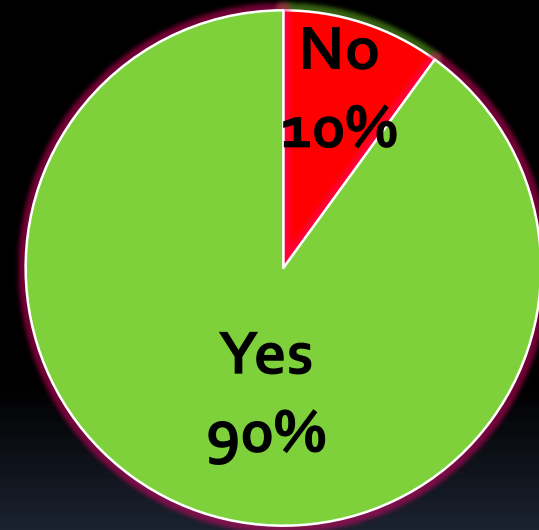
2001



2007



2014



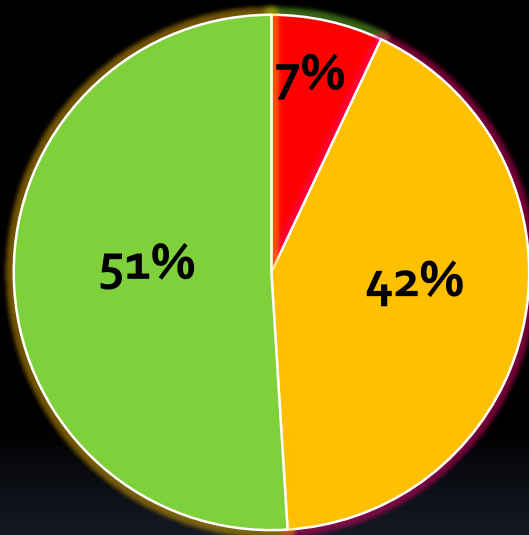
Top 5 problems faced when
purchasing certified wood raw materials.

Ranked: 1=worst

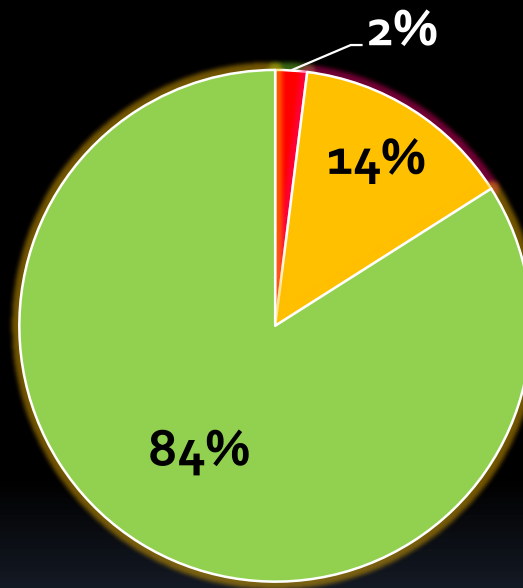
	2001 RANK	2007 RANK	2014 RANK
Overpriced Products	2	1	1
Inconsistent Supply	1	2	2
Inconsistent Quantities		3	
Inadequate Service		4	
Late Delivery	5	5	3
Product Quality	3		5
Contract Fulfillment	4		4

Where does your company expect its *sales volume* of certified products to go in the future?
(% of respondents)

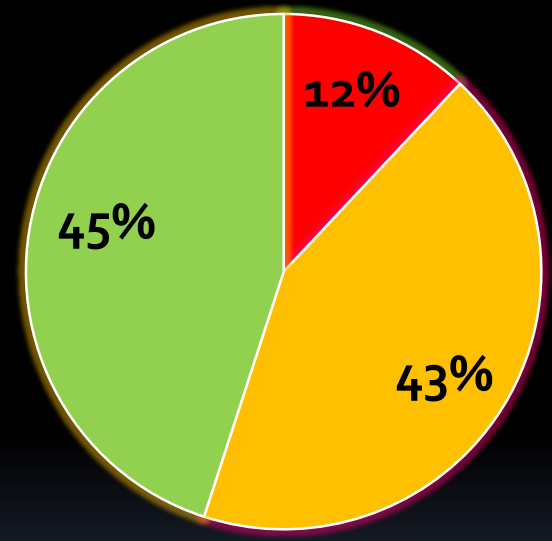
2001



2007



2014



Decrease



Remain the Same



Increase

Does your company plan to continue to sell certified products?
(% of respondents)

	2001	2007	2014
Yes	97%	97%	98%
No	3%	3%	2%

Conclusions

- Certification continues to be an important issue for the value-added wood products sector in the U.S.
- Certification awareness and participation have increased significantly from 2001-2014.
- Premiums received and costs incurred for certified products and raw materials have increased significantly from 2001-2014.
- The value proposition for certification remains elusive and inconsistent.

Questions?

Comments?

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