Certified Timber Production in Belize

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Abstract

Certification is promoted as a means to increase the financial viability of sustainable natural forest management. In the tropics, the expected benefits of certification include a ‘green premium’ for certified wood in the export market, and potential cost savings from the reduced-impact logging practices required by certification. While there are a few examples of certified timber sold at a premium and a few studies showing reduced-impact logging practices can increase net profits, the contribution of certification to operational multiple-use forestry in the tropics is not clear. This paper presents a case study of one organization that has tried certified timber production. Programme for Belize (PfB) is a non-profit organization with a mission "to link conservation of tropical forest with the development of sustainable land uses that leave the forest and its environmental values intact." Between 1997 and 1999, PfB harvested over 420,000 board feet from 800 hectares, with certification from both Woodmark (Soil Association) and Smartwood (Rainforest Alliance). In addition to certification, PfB had the advantages of secure tenure, an existing road network, and the possibility of sharing infrastructure costs with other activities such as ecotourism. However, a financial analysis demonstrates that timber extraction was not profitable. Given the current cost structure and prices, only extraction of mahogany generates significant profits. Reasons for this lack of profitability include some particular to PfB, such as the experimental nature and research objectives of the operations, and the costs of contracting and monitoring agents to extract, transport, and mill the timber. Other reasons are inherent to certified timber production in this region, including low timber volumes due to previous logging, high costs relative to commercial loggers operating under less rigorous and poorly enforced standards, and the difficulty of obtaining a premium price for certified wood from all but the best known species. Thus, PfB’s experiment with certified timber fulfilled its purpose of identifying obstacles - in the market, policy, and production arenas - that must be overcome before certification can fulfill its purpose of helping to finance sustainable forest management.