



**Forest Management and Stump-to-Forest Gate Chain-of-Custody
Certification Evaluation Report for:**

GreenWood Resources, Inc.

Boardman, Oregon

**Conducted under auspices of the SCS Forest Conservation Program
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER
SCS-FM/COC-00034P**

Submitted to:

GreenWood Resources, Inc.

Lead Author: Dave Wager

Date of Field Audit: July 21-23, 2009

Date of Final Report: Jan 12, 2010

Certified: September 1, 2006

By:

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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website (www.scs-certified.com) no later than 60 days after the report is finalized.

1.0 GENERAL INFORMATION

1.1 CONTACT INFORMATION

Applicant entity	GreenWood Tree Farm Fund, LP
Contact person	Sales: Logs, chips, and residuals Bruce Summer bruce.summers@gwrglobal.com Phone (541)667-9534 Forest Management Cory Boswell cory.boswell@gwrglobal.com Phone (971)533-7059
Address	PO Box 870, Hermiston, OR 97838
Fax	541-481-2623
Certificate Number	SCS-FM/COC-00034P
Certificate/Expiration Date	September 1, 2006 – September 1, 2011
Certificate Type	Single FMU
Location of certified forest area	
Latitude	119 degrees, 32 minutes West
Longitude	45 degrees, 47 minutes North
Forest zone	Temperate
Total forest area in scope of certificate which is: privately managed ¹	35,030
Number of forest workers (including contractors) working in forest within scope of certificate	94 year-around and up to 150 seasonal
Area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives	2443
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	0
Area of forest classified as 'high conservation value forest'	0
List of high conservation values present ²	NA
Chemical pesticides used	
Total area of production forest (i.e. forest from which timber may be harvested)	30,781 acres
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	32,586 acres

¹ The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

² High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at www.ProForest.net

Area of production forest regenerated primarily by replanting ³	32,586 acres
Area of production forest regenerated primarily by natural regeneration	0
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Hybrid poplar or Pacific Albus
Approximate annual allowable cut (AAC) of commercial timber	350,000 green tons
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	0
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Round wood and chips

1.2 General Background

This report covers the 2009 surveillance audit of GreenWood Tree Farm Fund's (GTFF) hybrid poplar tree farm pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in August 2006. All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website www.scsertified.com.

Pursuant to FSC and SCS guidelines, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or corrective action requests
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

³ The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

At the time of the July 2009 annual audit, there were several open Corrective Action Requests. Greenwood's responses to these CARs were reviewed during the annual audit. (see discussion, below for a listing of those CARs and their disposition as a result of this annual audit).

1.3 Guidelines/Standards Employed

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Pacific Coast Regional Standard, Version 9.0.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

Dave Wager conducted the annual audit of GWR from July 20-23. The audit included on-site inspections of field operations as well as extensive interviews with GWR staff and contractors.

2.2 Assessment Personnel

Dave Wager

Mr. Wager is Director of Forest Management Certification for SCS. During his 9 years as Director, Mr. Wager has overseen the day-to-day operations of the program and conducted Forest Management and Chain-of-Custody evaluations throughout the world. Recent evaluations conducted by Mr. Wager include Minnesota DNR, Wisconsin County Forests, State of PA Bureau of Forestry, State of Massachusetts, Perak ITC- Malaysia, and Collins Pine Lakeview and Almanor Forests. In his role as Program Director, Mr. Wager oversees all first-time certification evaluations, annual audits, and contract renewal certifications on approximately 60 active clients. Mr. Wager has expertise in business and forest ecology (B.S. business, Skidmore College; M.S. Forest Resources, Utah State University) and utilizes both in his position with SCS. While studying forest ecology at Utah State University, Mr. Wager was awarded a NASA Graduate Student Research Fellowship to develop dendrochronological techniques to assess Douglas-fir growth in Utah's Central Wasatch Mountains.

2.3 Assessment Process

The following general steps were undertaken as part of the 2009 audit:

- Additional consultation with FSC US about the plantations on agricultural, forest, and non-forest soils
- Review of 2005-2008 certification reports
- Review of management plans for Boardman, Sandpiper, and Lower Columbia Tree Farms
- Completion of the field audit
- Synthesis of findings, and judging performance relative to the FSC Pacific Coast Standard
- Preparation of the written certification evaluation report, and the public summary

The field portion of the audit included a broad array of field sites designed to illustrate a cross-section of hybrid poplar management activities. During the field audit, the SCS auditors engaged in personal interviews with GWR staff and contractors.

Monday July 20, 2009; Boardman Tree Farm

Office Discussions (3 p.m. – 5 p.m.)

(GWR Participants: Don Rice, Mike Berk, Luke Maynard, Cory Boswell, Andrew Bourque, and Bruce Summers)

Topics covered:

- Organizational changes
- Budgets discussions reduced crop care and irrigation budgets
- Contractor training
- Work instructions/work standards
- Integrated pest management- and 2009 issues

Field Stops:

- Production Plot, Field 703
 - Pruning trials
- Northeast Area of Farm- defoliation from gluphisia- trees have leaved out again but canopy is thin
- Backflush pools- no evidence of aquatic life/habitat
- Koschia weed control on perimeter near 806
- Field 906- 2008 fire burned non-crop area; seeded with annual in March 2008 (no restoration of native vegetation at this site);
- Field 906 web worm activity
- Pole planting to reduce deer browse and improve form

Tuesday July 21, 2009; Sandpiper Tree Farm

Topics covered and field stops:

- Watercourse management procedures
- Field 707 discussed streamside management zone requirements of Pacific Coast Standard
- Chemical control of noxious weeds
- Culvert maintenance
- Contractor interview: Jan Magiteaux of MJ's - safety procedures covered
- Patterson creek/ditch- dredged adjacent to Field 734; culvert replacement
- Integrated Pest Management- owl box program began 2008/2009—50% occupancy

Contractor and Partner Meetings at Boardman Tree Farm

- Earl Perkins- main contractor for eastside farms handling integrated pest management, site preparation, and other activities
- Meeting with WSU Entomology (GWR contractor) to discuss research and integrated pest management activities on eastside farms.

July 22 - July 23, 2009; Lower Columbia Tree Farm

Topics covered and field stops:

- Scappoose District-
- Site preparation with glyphosate and oust; whip planting to reduce deer damage;
- Biological legacy policy- planting and leaving existing non-crop trees
- Legacy tree plantings- alder, spruce, aspen, cedar
- Perch sites (owls/raptors) for biological control
- Ditch maintenance in Westport District- hand spaying of herbicide along ditches
- Beaver District- Field 02145 Harvested 2007; 02395 blackberry control mowing); 400 tree planting; Field 02455 planting corner with natives
- Marshland District- Field 06020
 - Louisiana Swamp (eagle nest site); Graham creek, restoration opportunities
- Midland District- Field 05355- meandering channel and retention efforts, raptor perch sites.
- Chemical storage facility
- Discussion with Megan Nuss about characterizing soils and past vegetation types of LCTF

2.4 Status of Corrective Action Requests Open at Start of 2009 Audit

Background/Justification: Projects with the potential to cause impact (note: impacts can be positive or negative) in the environment and/or in the local community are occurring in the absence of a project/site level environmental impact assessment. The noted example during the 2008 audit was the introduction of 1800 goats for vegetation control.	
CAR 2008.1	GWR must develop a program to undertake site/project level impact assessments to evaluate and mitigate the social and environmental impacts of the management activities.
Reference	Indicator: 6.1.c
Deadline	2009 surveillance audit
Action Taken By Certificate holder/Auditor Comments (2009)	
<p>GWR Response: Impact assessment forms developed. Impact assessments completed on four major activity changes. Completed assessments were reviewed at April GMS Quarterly Review. Completed assessments are posted on GWR Intranet</p>	
<p>SCS Findings: GWR developed the necessary procedures and program for project level activity impact assessments. The example of a recent assessment for bio-solids was presented to SCS. The effort completed to-date fully warrants closure of CAR 2008.1. GWR still must develop an approach for determining what activities require an impact</p>	

assessment. The approach should err on the side of more covering a fuller range of activities, particularly given the fact that none of the plantations have had a comprehensive property-wide environmental impact assessment associated with the creation of the plantations.

Status July 2009: Closed. Also, see related CAR 2009.1

<p>Background/Justification: GWR cannot currently demonstrate that its Lower Columbia Tree Farm Management (LCTF) Plan is in conformance with Indicator 10.8.b. <i>On former agricultural lands, the use of exotic plant species (see Glossary) is contingent on credible scientific analysis (see Glossary) that the species is non-invasive and does not diminish off-site native biodiversity.</i> Hybrid poplar may be crossing with the native <i>Populus trichocarpa</i>, and or establishing itself outside of the plantation.</p>	
CAR 2008.2	Implement a monitoring approach to assess if exotic hybrid poplars are hybridizing with native <i>Populus trichocarpa</i> and/or establishing off-site on the LCTF.
Deadline	2009 surveillance audit
Reference	FSC Indicator 10.8.b
<p>SCS Findings: GWR hired a specialist, Cees van Oosten, to complete an initial survey/study for exotic hybrid impacts to native <i>Populus trichocarpa</i>. The summary is included in the Lower Columbia Tree Farm Management Plan. The initial survey was sufficient to address this CAR, and concluded a relatively low risk for impacts to native cottonwoods. Consultant recommends that a full survey be completed in 2010, with a follow-up every three years. Although there may be a low risk of impact- the magnitude of the implications to native biodiversity could be significant. Thus- there is an expectation to continue to monitor impacts to native cottonwood. GWR is planning to continue this monitoring effort- so no further actions related to this CAR are necessary.</p>	
<p>Status August 2008: Closed.</p>	

<p>Background/Justification: 10.5.d. In plantations on agricultural soils, at least 10% of the plantation area is restored to the ecosystem native to the site. GWR has not demonstrated how this requirement will be met on the LCTF.</p>	
CAR 2008.3	GWR must present and begin implementation of a timeline, action plan, and allocation of funding for restoring 10% of the plantation to “ecosystem native to the site”.
Deadline	2009 audit
Reference	FSC Indicator 10.5.d

GWR Response:

GWR's interpretation of the Criterion 10.5 and Indicator 1.5.c is that lands be managed for restoration and that the ultimate goal is to have 10% of LCTF in the ecosystem native to the site. This is not to say that that 10% of the area is presently in the ecosystem native to the site

and preserved in that state. Nor does this mean that the current state of the area has to meet any standard for habitat quality or ecological function. Particularly the wording of the Criterion that the "area ... shall be manage so as to restore the site..." lends itself to this interpretation.

In the case of LCTF, defining the "ecosystem native to the site" is challenging. The sites occupied by LCTF have been significantly altered from their historic state over the past hundred years with the diking and dredging of the Columbia River, making "native" and "natural" relative terms. In pre-settlement times, the region would have been influenced by daily tidal fluctuations and seasonal river flow. Construction of dams upstream have impacted those fluctuations in flows. Vegetation would have reflected a grass and sedge wetland with pockets of woody shrubs. Today, the LCTF property is nearly entirely controlled by drainage districts and has a post-settlement history of agricultural use. Even within this changed landscape, however, native species of trees, shrubs and grasses have established. Still, the floodplain drainage work is recent enough that ecological maturity has not occurred. In consultation with Natural Resources Conservation Service (NRCS), Oregon Department of Fish and Wildlife (ODFW), Columbia Land Trust and Ducks Unlimited, GWR has identified five currently existing habitat types that were elements of the native ecosystem prior to disturbance. These five habitat types exist in a mosaic of small pockets around the farm. Their condition covers a wide range, from relatively undisturbed with mostly native plant communities to degraded by the presence of invasive species, predominantly Himalayan blackberry and reed canary grass. Regardless of their current condition, these sites are being managed for restoration and contribute some measure of wildlife habitat or other ecological function. These five habitat types are:

- Riparian
- Wet Prairie
- Hardwood/conifer mix
- Grasslands
- Upland forest

GreenWood believes there are different types of restoration that can be appropriately applied to the environment in question, and is continuing to move in the direction of facilitating these

native ecosystems. The Lower Columbia River Estuary Partnership (LCREP) names five categories of restoration, one of which is enhancement. LCREP describes enhancement as improving selected attributes of an ecosystem, such as invasive species removal and planting native species. Greenwood conversations with local agencies have also highlighted the importance of enhancing to whatever degree possible on land that is not being farmed.

Continued enhancement of non-farmed property is anticipated, with the help of Ducks

Unlimited and local wildlife biologists, for maintaining diversity in wildlife populations and creating environments mimicking flood plain conditions that were found in the local area prior to levee and drainage infrastructure construction. As previously mentioned, GWR has recently engaged NRCS and ODFW, both of which have expressed interest in working with farm managers to develop appropriate reserve management plans.

SCS Findings

GWR prepared a report including GIS work quantifying (and qualifying to a lesser degree) existing areas of native vegetation with the plantations. Initial results show that 10% of plantations fall into riparian and non-cropped areas. Some restoration activities have begun, e.g., control of noxious weeds on eastside and LCTF. Planting of 400 trees on LCTF. Plans and budgets for restoration activities in 2010 have been prepared and presented to the SCS auditor. GWR established a timeline and action plan for 2010 that includes wet prairie restoration, grassland maintenance, tree planting, and wetland/salmon habitat mitigation. Expenditures on restoration activities across all three farms will range from \$3 to \$5 per acre, which does not include GWR staff time contributions and some significant noxious weed control expenditures. Based on these findings SCS can close CAR 2008.3.

Status August 2009: Closed

Background/Justification: GWR has not expanded their wildlife monitoring/research program to the LCTF.

CAR 2008.4	GWR must expand their wildlife monitoring/research and safeguard measures for identifying and protecting native fauna. By the 2009 surveillance audit GWR must ensure wildlife monitoring and survey work covers the Lower Columbia Farm.
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Deadline	2009 audit
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Reference	FSC Indicators 6.1.d; 6.2; 6.5.e.; 7.1.g; 8.2.c.1; 10.8.b
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Action Taken By Certificate holder/Auditor Comments (2009)

SCS Findings:

Several actions have been taken by GWR with respect to monitoring and safeguarding native fauna. These actions are detailed in the LCTF Fish and Wildlife Management Plan. The following actions, as excerpted from the plan, are evidence of the improved efforts:

- *Farm managers have met with representatives from Natural Resource Conservation Service (NRCS), Oregon Department of Fish and Wildlife (ODFW), and Ducks Unlimited (DU) for their guidance on appropriate wildlife management.*
- *GWR is working with federal, state and local stakeholders to identify projects that could improve fish passage and hydrologic functions while taking being fully mindful of the possible impacts to neighboring landowners and traditional land uses such as agriculture. GWR is pursuing the creation of a wetland and/or salmon habitat mitigation bank or project on the Louisiana Swamp.*

- *Invasive spp control- Nutria- Their negative impacts include burrowing that can weaken and compromise levees, overgrazing land loss of wet prairie habitat and displacement of native species such as muskrats. They are managed with traps and targeted on site.*
- *In lieu of GWR currently conducting its own scientific monitoring, managers rely on studies that have been completed by other groups that pertain to the farm area. For example, managers refer to OSU's Wildlife Explorer (<http://www.oregonexplorer.info/wildlife/>) for a complete list of species found in Columbia County. ODFW has also assisted in identifying relevant species from the Oregon Conservation Strategy for the Coast Range ecoregion that are likely present on the farm property.*
- *Because of its endangered status, Columbian White-tailed deer is of special concern to the farm. The nearby Julia Butler Hansen Wildlife Refuge for the Columbian White-Tailed Deer, located in Cathlamet Washington, provides an excellent resource for deer monitoring. Surveys of deer have been conducted since 1985, and although they are not meant to represent total population counts, the information is still useful to observe trends over time. The surveys are conducted on property surrounding or occurring on LCTF land: USFS has commented that the years of highest deer population coincide with the years of the most extensive poplar production.*
- *Further, GWR has initiated a procedure to notify the Oregon Natural Heritage Program if rare species are ever identified on the tree farms. NatureServe, a network of 80 natural heritage programs located in all 50 states and outside of the country, lists 12 vertebrate animals and 2 vascular plants as species of concern located in Columbia County. Two animal species are listed as endangered under the Endangered Species Act, 9 animal species are threatened, and 2 vascular plants are threatened.*
- *GWR has initiated a training program to educate contractors and employees of the sensitive species that could be found in habitats similar to those found on the tree farms. This is accomplished at our annual contractor training day and our annual employee safety training day.*
- *Continued enhancement of non-farmed property is anticipated, with the help of Ducks Unlimited and local wildlife biologists, for maintaining diversity in wildlife populations and creating environments mimicking flood plain conditions that were found in the local area prior to levee and drainage infrastructure construction. As previously mentioned, GWR has recently engaged NRCS and ODFW, both of which have expressed interest in working with farm managers to develop appropriate reserve management plans.*

Despite the above developments, there is still a gap with respect to systematic monitoring of wildlife on both the eastside and LCTF. During the first term of certification for the Boardman Tree Farm there were regularly scheduled wildlife survey, (e.g., for small mammals, bats, birds, reptiles/amphibians). These surveys have ceased on the eastside and have not been extended to the LCTF. Thus while GWR has shown improvement in monitoring/safeguarding native fauna on the LCTF- as a whole there is a need for further monitoring across all farms. CAR 2008.4 will be closed, as this CAR was written with focus

on the LCTF. CAR 2009.3 is issued due to remaining gaps in monitoring now occurring across both LCTF and Eastside farms.

Status July 2009: Closed; See related Minor CAR 2009.3

Background/Justification: Plantation requirements in the FSC Standard for the Pacific Coast Region vary depending on whether the plantation occupies soils capable of supporting natural forests, forest soils, on former agricultural land with non-forest soils. However, The Pacific Coast Standard has no definition of “forest soils”, “soils capable of supporting natural forests”, or “agricultural soils”. This issue clearly needs to be clarified in the FSC US standards.

GWR claims that the majority of the footprint of their plantation is on non-forest soils. Photographic evidence has been provided (appendix A) showing mud flats and sedge occupying areas of the plantation prior to the dikes being built. Some of the photos also show forests in the background (appendix B). GWR also argues that even if some of the plantation is on forest soils, “natural forest” conditions are not possible because of the dikes and dams on the Columbia. GWR’s has put forth enough evidence to allow initial acceptance that the plantation should be held to the standard for agricultural soils not capable of supporting “natural forests”. However, this ruling is conditional upon GWR providing additional objective evidence by the 2009 surveillance audit.

Finally, Indicator 6.1.b. requires “Using available science and local expertise, current ecological conditions are compared to the historical conditions within the landscape context, considering the elements identified in 6.1.a.”, which has not been done for the LCTF.

CAR 2008.5	Provide additional objective evidence showing that the soils and environmental condition are not capable of supporting “natural forests” and/or that the plantation is grown on non-forest soils. In the process, address Indicator 6.1.a.
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Deadline	2009 audit
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Reference	Indicators 6.1.b., 10.4.a., 10.8.a., 10.8.b.
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Action Taken By Certificate holder/Auditor Comments (2009)

SCS Findings:

A 10-page well supported report on the soils and vegetation of the LCTF was provided. The results of the study show that most of the farm would be characterized by low-lying floodplain (non-forest) vegetation. Elevation maps for the farm itself clearly confirm the area as floodplain. LIDAR mapping of the farm and adjacent areas show the mean elevation for each of the six drainage districts on which the LCTF has owned land is 2.56 feet (Beaver), 1.3 feet (Clatskanie), 1.06 feet (Magruder), 3.99 feet (Midland), 4.64 feet (Marshland), and 6.55 feet (Westport). From the LIDAR maps, the Columbia River water level ranges from 0 to 11 feet where the farm is located, which demonstrates how significant the tides would have affected the Lower Columbia-Clatskanie sub-basin in presettlement times.

Status August 2008: Closed

Background/Justification: Some of the GWR leases may not be renewed for an additional rotation. In cases where GWR is completing a final harvest on a block that will not be replanted- GWR is not permitted to sell this wood as FSC certified.	
CAR 2008.6	GWR must implement a procedure to ensure final harvests on expiring leases are not sold as FSC certified, when those leases are to be converted to a non-forest use.
Deadline	2009 audit
Reference	FSC Criterion 6.10
Action Taken By Certificate holder/Auditor Comments (2009)	
SCS Findings:	
SCS confirmed that no wood from leased land is currently being sold as FSC certified. GWR prepared a written policy on sale of wood as FSC Certified that states: <i>FSC must be harvested from land owned by LCTF and intended for continued forest use; OR it must be harvested from land leased by LCTF with a remaining lease term, renewal, extension or pending renegotiation and intended to continue as a forest use</i>	
Status July 2009: Closed	

Background/Justification: The area now occupied by the LCTF maintained some natural forest cover prior to conversion to agriculture. The analysis of CAR 2008.5 will provide some insight as to how much of the area was occupied by forest. For this reason, biological legacy (green tree, snags, den trees, and downed woody) retention requirements of Criterion 6.3 are much more ecologically relevant to the LCTF than they are on the eastside farms.	
CAR 2008.7	GWR must implement a set of guidelines for retaining biological legacies.
Deadline	2009 audit
Reference	FSC Indicator 6.3.b.3, 6.3.e.1
Action Taken By Certificate holder/Auditor Comments (2009)	
SCS Findings:	
GWR developed and began implementing a biological legacy program for the LCTF. Wildlife tree retention guidelines for GWR focus on retention and protection of non-crop trees and woody perennials. As stated in the guidelines: <i>GWR requires retention and protection of non-crop trees and woody perennials in a variety of locations at LCTF. These include boundary areas (manmade ditches, internal sloughs, levees, and ownership boundary lines), non-productive cropland (low elevation areas, poor soil conditions, and footprints of previous infrastructure), unprotected areas (from tidal or freshets) and upland soil/topography sites.</i> Additionally scattered reserve areas are intended to provide for biological legacies- <i>In non-farmed portions of LCTF vegetation is allowed to grow in a 'natural' state excepting</i>	

invasive or non-native species. This allows structure and diversity to develop. Cover is provided for large mammals (coyotes, deer, raccoons) and nesting and roost sites for raptors common to the region. This also encourages small mammals, songbirds, and some waterfowl species that may not thrive in the more monoculture type environment found within our operational fields.

Status July 2009: Closed

Background/Justification: A summary of research results was completed that can be made available, however, these do not cover the items listed in Criterion 8.2.

CAR 2008.8	GWR must have available a summary of monitoring results that covers the requirements listed in Criterion 8.2.
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Deadline	2009 audit
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Reference	FSC Indicator 6.3.b.3, 6.3.e.1
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Action Taken By Certificate holder/Auditor Comments (2009)

SCS Findings: A summary of monitoring results was provided that covers the topics listed in Criterion 8.2. As noted earlier additional monitoring of fauna is necessary (See CAR 2009.3)

Status July 2009: Closed

2.5 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document review, the SCS audit team concludes that GWR's management of the Boardman, Sand Lake, and Sandpiper poplar plantations continues to be in strong overall conformance with the FSC Pacific Coast Standard. Additionally, management of the Lower Columbia Tree Farm is in overall conformance with the FSC Pacific Conformance Standard. That is, and while there remains aspects of the management program that are deficient relative to the standard of certification, the SCS audit team has concluded from this assessment that GWR's forest management program is in general conformance with FSC Principles 1 through 10. As such, continuation of the certification is warranted, subject to subsequent annual audits.

2.6 New Corrective Action Requests and Recommendations

Non-conformance: GWR cannot demonstrate full conformance with *6.1.c. Prior to the commencement of management activities, potential environmental impacts and their cumulative effects are evaluated.* The following activities were noted to occur in 2009 without an environmental impact assessment.

- Aerial application of Steward
- Re-seeding a burned area of the Boardman plantation
- Dredging a drainage creek/ditch on Patterson Creek that flows into Glade Creek

While impact assessments did occur for other projects. SCS concludes that there is no process for determining when impact assessments are to be done. The approach should err on the side of covering a fuller range of activities, particularly given the fact that none of the plantations have

had a comprehensive property-wide environmental impact assessment associated with the creation of the plantations.	
CAR 2009.1	GWR must develop and implement an approach for determining what activities require an impact assessment.
Deadline	2010 Annual Audit
Reference	Indicator 6.1.d

Note: At the time of drafting the report Major CAR 2009.2 was issued, however, upon further review it was determined that this CAR was not warranted.

Non-conformance: GWR has not fully met Indicator 8.2.c.1. <i>Forest owners or managers periodically monitor and assess (1) their contribution toward recovery goals for threatened and endangered species in relation to changes in major habitats and populations, (2) changes in major habitat elements, and (3) presence and/or absence of and changes in the occurrence of Rare species.</i> CAR 2009.3 is issued due to remaining gaps in monitoring now occurring across both LCTF and Eastside farms.	
CAR 2009.3	GWR must ensure monitoring covers the requirements of 8.2.c.1.
Deadline	2010 Annual Audit
Reference	Indicator 8.2.c.1

Non-conformance: GWR has not fully met indicators 6.5.o, p, and q The minimum FSC standards from 6.5.p, 6.5.q, and 6.5.r are as follows: The standards call for the following buffer zones				
	STREAM	CATEGORY	(FSC STANDARD)	
	A	B	C	D
Inner Buffer	50	25	0	0
Outer Buffer	100	75	75	0
Total Buffer	150	100	75	0
These guidelines are not covered in relevant SOP. Proposed harvest site on the Sandpiper farm did not have appropriate no cut buffer against Glade Creek.				
CAR 2009.4	GWR must ensure watercourse protection actions are consistent with the requirements of the FSC Pacific Coast standard.			
Deadline	2010 Annual Audit			
Reference	Indicator 6.5 o, p, and/or q			

Non-conformance: GWR has not met indicator 6.6.d. <i>Chemicals are used only when and where they pose no threat to supplies of domestic water, aquatic habitats, or habitats of Rare</i>	
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<i>species.</i> On the Lower Columbia Tree Farm formulas not labeled for aquatic use were in use.	
CAR 2009.5	GWR must ensure watercourse protection actions are consistent with Indicator 6.6.d of the FSC Pacific Coast standard.
Deadline	2010 Annual Audit
Reference	Indicator 6.6.d.

OBSERVATIONS:

Observation 2009.1: GWR should implement a procedure to ensure adjacent landowners are notified of upcoming herbicide/pesticide applications- particularly when aerial application is being used

Observation 2009.2 : GWR should try to recruit more environmental stakeholder participation in the Community Advisory Committee.

Observation 2009.3: GWR should ensure that first aid kits are readily available in all contractor field vehicles.

3.0 DETAILED OBSERVATIONS

This section is divided into two parts: Section 3.1 details the conformance and non-conformance with the elements of the standard examined during this audit. Section 3.2 discusses any stakeholder comments.

3.1 Evaluation of Conformance

REQUIREMENT	C/N	COMMENT/CAR
P1 Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.		
P4 Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.		
C4.1. The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.	C	<ul style="list-style-type: none"> GWR is one of the few forest sector businesses that has not laid off staff during this record downturn in the market. Interviews with employees and contractors revealed that job satisfaction is high Most forest workers take on a diversity of tasks, thus making for more interesting work and better trained

		<p>workers</p> <ul style="list-style-type: none"> GWR is forming a partnership with OSU Wildlife to improve monitoring of the eastside farms.
C4.2. Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.	C	<p>GWR has a very active safety program including:</p> <ul style="list-style-type: none"> Annual contractor meetings Contractors conduct periodic safety meetings emergency response training and drills compliance audits for safety- document safety concerns in EMS Accident reporting and monitoring farm driving policy- hauling route traffic control <p>During the 2009 audit, we observed two instances where first aid kits were not readily available in the field. Observation 2009.3.</p>
C4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).	C	The right to organize is guaranteed by U.S. law.
C4.4. Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.	C	<p>Opportunities to offer input in GWR management are available through</p> <ul style="list-style-type: none"> annual meetings with contractors meetings with CAC <p>During 2009 audit reviewed minutes from CAC meeting at LCTF- covering oil spills, hunting, road traffic, and other aspects related to certification.</p> <p>The CAC lacks environmental representation- Observation 2009.2</p> <p>Aerial spraying is the main activity that could affect people and groups outside of GWR. GWR should implement a formal approach for notifying adjacent landowners of chemical spraying. Observation 2009.1</p>
C4.5. Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.	C	<p>Numerous actions are taken to resolve grievances early on, such as:</p> <ul style="list-style-type: none"> planning meetings with contractors open door policy with employees, contractors, and workers. <p>In the U.S., the legal system provides a last resort to resolve conflicts.</p>
P5 Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.		
C5.1. Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring	C	GreenWood Tree Farm Fund (GTFF) is a private equity fund organized to acquire, develop, and intensively

<p>the investments necessary to maintain the ecological productivity of the forest.</p>		<p>manage fast-growing tree farms in North America, and to manufacture and market Forest Stewardship Council (FSC) certified products from these tree farms. GWR is the manager, and has been provided the necessary financial support long-term responsible plantation management.</p> <p>Despite the economic downturn- GWR has maintained funding at a sufficient level to keep up with FSC requirements- though efforts with restoration have not progressed as quickly as expected (see related Major CAR). Numerous cost saving mechanisms, e.g., reduced fertilization and herbicide budgets, were put in place during the last year.</p> <p>GWR successfully completed a Stewardship Agreement with ODF, which will make it easier for GWR to extend the rotation on the eastside.</p>
<p>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.</p>	C	<p>Due to market conditions the new mill has not been running at capacity, however, it has given time for further optimization of the mill.</p>
<p>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p>	C	<p>Utilization of timber is excellent, and continues to improve. There is essentially zero wastage due to good pulp markets.</p>
<p>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p>		<ul style="list-style-type: none"> • On the eastside farms, the local economy is mainly agricultural products (e.g., onions, potatoes, wheat), thus hybrid poplar adds considerable economic diversity. Around the LCTF, GWR is diversifying both the agricultural activity in the area and introducing a new timber species (hybrid poplar) • In 2008 GWR installed a meteorological tower on the Boardman farm- and continues to pursue this diversification. Additionally, GWR is considering diversification through agroforestry, carbon sequestration, and other services.
<p>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p>	C	<p>There is overall conformance with this Criterion, however, two water resource concerns emerged during this audit- which relate to Criterion 6.5 and 6.6. See minor CAR 2009.3 and 2009.4</p> <p>On a positive note, GWR has continued with the implementation of the guidelines for managing water resources and related habitat- which were introduced in 2008.</p>
<p>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</p>	C	<p>GWR uses area based regulation to ensure sustained yield. Production levels and optimal rotation length is based on intense monitoring of growth and yield plots, and clonal trials.</p> <p>As noted above, GWR is now allowed to extend the rotation beyond 12 years- without having to be subject to</p>

Other notable points from the 2009 audit:

- Chemical pesticide use was reduced between 2008 and 2009 across all farms for the following chemicals:
 - Glyphosate was reduced by over 20% at Boardman and approx 50% at Sandpiper and LCTF*
 - 2-4,D was down 20% at Boardman and approx 50% at Sandpiper*

The only increase in chemical use was imadacloprid (a systemic insecticide), which was up over 50% at Boardman*

*figures are year-to-date for 2009, by end of 2009 it is expected that the reductions will be moderated and the increase in imadacloprid will expand. Previous year comparisons are not possible because of the farm expansion and lack of data prior to 2008;

- There has also been a substantial reduction in fertilizer with a near elimination of nitrogen in 2009;
- GWR has continued/expanded its partnership with WSU for implementing IPM. The level of resources, monitoring, and expertise in this effort is notable;
- A switch to pole planting is greatly reducing deer browse and improving stem quality.

3.2 Stakeholder Comment

There were no comments/issues raised by stakeholders that require any follow-up action.

3.3 Controversial Issues

No exceptionally controversial or difficult issues presented themselves during this surveillance audit.

3.4 Changes in Certificate Scope

There were no changes in the scope during 2009.