

## **Public Evaluation Report**

# **FSC – Forest Management**

**Certification Registration Code: IMO-FM/COC-27041**

Re-certification

Report No.: 06 2363 01 a

### **Changhua Forest Farm**

Mr. Lei Fumin, Cheng Zhangfen, Changhua Town, Linan, Zhejiang, China  
Tel.: +86 571 6363 1150, laqlfczf@sohu.com

Date of control:	Dec 13, 16, 17, 2006
Leading Auditor:	Thomas Papp-Váry
Contact person IMO:	Thomas Papp-Váry
Date of report:	Feb 28, 2007
Date of certification	Oct 15, 2001 (SW); Mrz 30, 2007 (IMO)
Validity of certificate	31.12.2007

---

### **Client**

This report was generated for Changhua Forest Farm (hereinafter called CFF) for the estate managed by them. It may not be used for advertising purposes without the expressed written permission of the contractual partners. All following information was checked and authorised by the client.

### **Purpose of Inspection**

The task was to carry out the re-evaluation of the forest management in accordance with the IMO standard control program accredited by FSC.

This report is the public part of two reports concerning forest management which are the basis of the decision on the certification by the Institute for Marketecology.

<b>Table of contents:</b>		Page
1.	Information about the company	3
1.1.	Forest owner / company organisation	3
1.2.	Motivation for Certification	3
1.3.	Forest and management system	3
1.4.	Connection to the environment and to the socio-economics	6
1.5.	Products and wood use	6
<b>1.5.1.</b>	<b>Products of the forest</b>	<b>6</b>
<b>1.5.2.</b>	<b>The basis for Harvesting of timber</b>	<b>7</b>
<b>1.5.3.</b>	<b>Final point of certificate</b>	<b>7</b>
2.	Certification process	7
2.1.	Standards	7
2.2.	Contractual basis	8
2.3.	Stakeholder process	8
2.4.	Inspection (Audit)	8
2.5.	Certification decision	9
3.	FSC stakeholder process	9
3.1.	Reaction of the Stakeholders	9
3.2.	Comments on the guidelines	9
3.3.	Comments on the forest enterprise	10
3.4.	Results of the stakeholder process	10
4.	Required actions and improvements	10
4.1.	No old pre-conditions or conditions	11
4.2.	Old recommendations	11
4.3.	No new pre-conditions	11
4.4.	New conditions regarding Principle 4 (Safety and Worker's Rights)	11
4.5.	New conditions regarding Principle 6 (Environment)	11
4.6.	New conditions regarding Principle 7 (Management Plan)	12
4.7.	New conditions regarding Principle 8 (Monitoring)	12
4.8.	New recommendations	12
5.	Summary of the strengths and weaknesses	12
5.1.	List of strengths in relation to the FSC-guidelines	12
5.2.	List of weaknesses in relation to the FSC-guidelines	13
6.	Decision for Certification	13
6.1.	Recommendation for certification (inspection team)	13
6.2.	Positive certification decision	14
6.3.	Authorisation	14
<b>I.</b>	<b>REGISTRATION FORM (PUBLIC PART)</b>	<b>15</b>
	Annex	17

## **ACRONYMS**

AAC	Annual Allowable Cut
AI	Annual Increment
CFF	Changhua Forest Farm
FMU	Forest Management Unit
FSC	Forest Stewardship Council
NTFP	No Timber Forest Product
P&C	Principles and Criteria of the FSC
PSP	Permanent Sample Plot

## **1. Information about the company**

### **1.1. Forest owner / company organisation**

The CFF is located in Changhua Town of Linan city, Zhejiang Province in China, about 150 kms from the nearest airport in Hangzhou. CFF has been successfully certified by SmartWood (SW-FM/COC-173) since 2001 and applied for re-certification by IMO.

CFF is a state-owned forest farm that produces coniferous and deciduous timber and bamboo. The main objective of CFF is to produce timber. CFF manages 873 hectares, all of which were assessed for certification.

CFF does not operate any processing facilities and has no intention to do so. CFF sells its logs to local buyers, including secondary manufacturing facilities that utilize the wood as raw material for household components.

CFF is managed generally by Director Mr. Lei Fumin and economic concerns is addressed by the Deputy chief, Mr. Cheng Zhengfeng, who manages the day-to-day operations of CFF, and is also responsible specially for directing forest management.

CFF currently has 22 staff with various responsibilities and include but are not limited to: cruising, marketing, contract administration, tree planting, harvesting, road construction, road maintenance, wildlife surveys, patrolling (preventing fire and trespass), financial affairs, and sales. CFF staff and the staff of the Linan Forestry Bureau work together to plan harvests. A combination of CFF staff and local villagers on contractual basis carries out forestry work such as tree planting, thinning, harvesting and road maintenance. The permanent workers are members of the major unions in the regions and enjoy all the statutory benefits.

### **1.2. Motivation for Certification**

The main objective of CFF is to produce timber from coniferous and deciduous species by an ecologically friendly use of the land and a socially responsible management of all resources sustainable forest management. There is increasing demand from domestic market in China in using FSC certified wood to manufacture different products and this has motivated CFF to keep obtaining FSC certification.

### **1.3. Forest and management system**

The main goal of CFF is to produce timber from coniferous and deciduous species. Other goals of the forest farm include: The protection of special areas, including areas with steep slopes or poor accessibility; the protection of areas important for soil and water conservation, such as wetlands; maintaining fire safety through practices such as construction and maintenance of fire breaks; and maintenance and improvement of habitat for endangered species such as the Japanese deer, a species listed as a “state first class” protected animal; Management on some areas for crops such

as chestnuts, bamboo, hickory nuts, and other NTFPs.

CFF is situated in the subtropical Monsoons weather region. The quarterly winds there is strong, and climate is gentle and wet. The four seasons of the climate are clearly distinguished. The annual rainfall averages from 1500-1900 mm which is widely spread over both South West and North East Monsoons. The temperatures range from -3 °C to 27 °C. The soil types are rich and can be classified in 15 categories, main types of which are red yellow earth, yellow brown earth, and meadow black earth.

Natural forests in the area were mixed forests of broad-leaved and conifers but there are no primary forests remaining. Current planted forests consist of conifer and broadleaf species. There is also some natural regeneration, primarily in the unmanaged, protected areas but – except for bamboo - limited to Chinese fir. Rotations range from only 2-3 years for bamboo to over 40 years for Japanese cedar. The primary conifer species under management include Chinese fir (*Cunninghamia lanceolata*) and Masson pine (*Pinus massoniana*). Japanese cedar (*Cryptomeria japonica*), Taiwan pine, Korean Larch, Dawn Redwood, and various broadleaf species are also managed (annex 1). CFF is also beginning to plant small quantities of “economic” tree species for fruit and nut production. These species include ginkgo and hickory.

The CFF began its operation in 1954. At that time the Chinese government allocated land previously used by villagers to CFF for reforestation which the villagers were either not interested in or did not have the capability to do it. Villagers were just interested in using the area for collection of wild mushrooms, bamboo shoots and medicinal plants. Another reason for the land transfer was to make full use of the land and create employment opportunities for local villagers. In recent years, with the more and more requirement on the ecological and environmental protection emphasized by the Chinese government, parts of the forest lands managed by CFF, including Gankeng and Longtangshan were classified as a protected zone by the government and the responsibility was transferred to Qingliangfeng Natural Reserve. While the audit CFF is only operating the Maoshan forest area, and has received approval from local forestry authority for their five-year (2006-2010) management plan. This is the reason why the area under the responsibility of CFF decreased in 2006.

**Table 1: Cover Type by Age Class (in hectares)**

	seedling	mid	near-full	Full	no age	given Totals
Fir	8.3	117.9	24.5	43.1		194
Pine	14.7	56.1	98.7	62.3		232
Broadleaf	78.5	84.3	81.3	125.1		369
TimberBamboo					23	23
Conservation					55	55
Total						873

**Table 2: Harvest By Species, 2001-2005 (Actual) and 2006-2010 (Projected), in m<sup>3</sup>**

	Fir	Pine	Broadleaf	Bamboo (piece)	Total	AAC
2001	1021	926	822	No harvest	2769	3250
2002	1104	958	818	No harvest	2880	3250
2003	1066	867	798	No harvest	2731	3250
2004	986	966	866	No harvest	2818	3250
2005	412	1039	828	No harvest	2279	3250
2006	510	1205	546	2000	2261	2486
2007	914	315	881	3000	2110	2486
2008	1071	569	541	2000	2181	2486

2009	1116	421	806	2000	2343	2486
2010	1112	473	808	3000	2393	2486

**Table 3: Inventory and Growth by Species (AI is Annual Increment)**

Species	Stock (m <sup>3</sup> )	Total Annual Increment (m <sup>3</sup> )	Annual Increment (AI), Seedlings (m <sup>3</sup> )	AI, mid-age (m <sup>3</sup> )	AI, Near-full-grown (m <sup>3</sup> )	AI, Full-grown (m <sup>3</sup> )
Fir	21,055	1,673	18	967	255	433
Pine	14,079	799	5	134	387	273
Broadleaf spp.	21,145	1,079	114	155	268	547
Bamboo Spp. piece	58,600					
Total	56,279	3,551	137	1256	910	1253

**Table 4: Reforestation Plan (Hectares)**

Forest Type	2006	2007	2008	2009	2010
Pine & Cedar				3.2	
Pine					22.8
Broadleaf	2.8	12.0	11.5	30.7	2.9
Conifer & Broadleaf		3.2	3.1	2.5	3.5
Pine & Fir			1.2		
Bamboo	3.5				
Total	6.3	15.2	15.8	36.4	33.2

After being certified for five year by SmartWood, CFF has developed a new comprehensive management plan which covers all aspects of FSC P&C, and the plan appears being implemented well. The management concentrates on multiple goals in terms of environmental protection, social harmony, economical development. The provincial government issues in writing CFF's maximum allowable harvest for each of the following five years (Table 2). CFF's written management plan at this time consists of basic information regarding cover type of the forest (Table 1), species and volumes to be harvested (Table 2), and basic forest stand information for current stocks and AI (Table 3).

For individual stands, silviculture prescriptions are prepared jointly by staff of CFF and the Linan Forestry Bureau. These plans are required by local law, and include: harvesting method, species, stand age or age class (young, mid-rotation, or at final rotation age), elevation, slope, aspect, slope position, harvest volume, number of stems to be harvested, information on the average tree removed (basal area, diameter, height, volume), and a site map.

CFF maintains plantation maps, data on individual compartments and sub-compartments, as well as specifications for contract work. The management plan will be updated as needed or every five years; there is regular schedule set up for reviewing the planning strategies and incorporating into revision of the annual work planning as well. The management plan has also followed legal requirements and permitted effective management.

## 1.4. Connection to the environment and to the socio-economics

In the late 1990s, following disastrous flooding aggravated by over harvesting, national laws and policies were issued for severely reducing timber harvesting. All harvesting in the Changhua area is now strictly controlled by the Linan Forestry Bureau. Nationally, the amount of wood harvested has been dramatically reduced. To meet demand, imports from other countries have increased greatly.

CFF is close to Qing Liang Feng Nature Reserve in western Linan County in Zhejiang Province. The elevation of the Reserve ranges from 300m to 1800m. Annual precipitation ranges from 1500mm to 1900mm. This county has high forest coverage, estimated at over 65%, much higher than the national average which is only 13%. Forest coverage in the natural reserve is estimated at 88%.

Lands managed by CFF are thus part of a heavily forested landscape, although there remains very little natural forest within the landscape. Forestlands are typically managed as planted forests by CFF, village forest farms, and individual households alike. In the past, rotations tended to be as short as possible, and using only a handful of fast-growing species, in order to maximize income. Within the Qing Liang Feng reserve, extensive surveys have been conducted on wildlife and botanical resources. Survey results indicate that there are several species listed as “state first class protected” and “state second class protected”. A dozen botanical species are listed as “state third class protected”. (See Appendix 3 for a listing of these species.) This survey specifically identified within the Gankeng area the presence of Japanese deer and a band of “special vegetation”, viz *Heptaecodium jasminoides* growing in a band approximately 8 km wide. In 2006, for the mentioned reasons, Gankeng area was transferred to the Qingliangfeng Natural Reserve as the forest land protected for the wild life inhabit.

In recent years, eco-tourism has become an important income in Linan County in general and CFF in particular. Located within a day of Shanghai, Linan County has become a popular destination for vacationing Shanghai residents. The economic incentive is, therefore, for forests to be kept as forest and not converted to other uses, with the important exception of providing homes and other facilities and infrastructure for a rapidly growing population. In Maoshan forest area, along a stream, a protected forest is zoned by CFF for the tourism.

## 1.5. Products and wood use

### 1.5.1. Products of the forest

The main products are logs and poles with species of fir, pine and broadleaf trees.

Species	Scientific name	Volume (m <sup>3</sup> per yr)	Product
Fir	<i>Cunninghamia lanceolata</i>	500-1200	logs
Pine	<i>Pinus massoniana</i>	1,200-800	logs
Japanese cedar	<i>Cryptomeria japonica</i>	No current harvests	Veneer logs
Broadleaf species	<i>various</i>	500-900	logs
Bamboo	<i>various</i>	2000-3000 (piece)	

Tea, bamboo shoots and herb medicine are the other products from CFF which do not come under the scope of the present certification.

### ***1.5.2. The basis for Harvesting of timber***

According to the Harvesting and Regeneration Administration Protocol of China, CFF has to get approved for five years by the local Forestry Authority for timber harvesting (Table 2), where detailed AAC that CFF must not exceed each year except situations when unregulated felling occasionally occurred. The AAC should be designed based on the principle that it must be less than the increment in the same forest management unit, that is regulated by the Chinese Forest Law and strictly implemented.

In CFF's management plan, the clear cutting could not be more than 5 hectare blocks where the slope is steeper than 30 degrees. Whilst the audit some clear cutting were inspected in the field, and no evidence was seen of active felling of wildlife trees or large woody debris.

Harvesting and weeding are done manually. Use of machinery, including chainsaws, is extremely limited. Harvesting is done with axes, and workers haul the logs to the road on their shoulders. Log transportation are done by small trucks. Most of the cutting and transporting jobs have been contracted out to the local villagers.

### ***1.5.3. Final point of certificate***

The final point of the certificate is the wood logs and bamboo that leave CFF. The logs foreseen to be sold as certified are transported to the log yard which is located near to the CFF office in the same road. They are stored in a separate area and marked with a red tag on the front side of each log.

Other logs of lower dimensions or qualities, fuel wood and part of the bamboo are directly sold from the forest and removed by the villagers for personal use. They are not sold with any FSC declaration.

## **2. Certification process**

### **2.1. Standards**

The "Principles and Criteria of the FSC International" are the basic standards and minimum requirements which are valid for the FSC certification world-wide. This standard is supposed to be adapted to the regional situation by regional FSC working groups. It also needs to be adapted if non timber forest products are managed. If no regional working group exists the adaptation to a local standard has to be done by IMO.

For China no regional FSC working group existed at the time of the audit, therefore the generic standard of IMO which is accredited by FSC was used as basis. By sending this standard to the stakeholders comments were sought about the standard and the need for regional adaptation.

In order to harmonise with neighbouring countries and standards for similar situations, the generic standard for China of SmartWood, the former certifier of CFF, was taken into consideration for the adaptation process. The co-auditor (also being the local expert) evaluated the legal situation in China and has included a list of applicable laws. Based on all information available a local standard for China was adapted, which is available on the webpage of IMO.

During the certification by IMO it is checked whether all parts of the guidelines are fulfilled in a satisfactory way. No special parts of the guidelines are weighted more or less than others. Any non-compliance with the guidelines results in conditions or preconditions.

## 2.2. Contractual basis

Certification according to the FSC requirements is only possible based on a clear contractual basis. The inspection contract defines the duties of both parties and gives the right to use the logo for the company after the certificate was issued.

With the application to IMO in October 2006 and the signature of the contract CFF confirms its will to get certified for the forest in its management scope and the timber sales according to FSC.

## 2.3. Stakeholder process

FSC certification controls whether forest management will meet all needs concerning ecological, economic and social aspects. Therefore the demands of any group who is dependent on forests or engaged in forest protection must be considered. To include these needs into the certification process representative stakeholders are informed and asked for comments about the guidelines and the inspected company.

Stakeholder consultation is obligatory for any FSC certification. The comments of stakeholders are incorporated in the evaluation questionnaire and checked during the audit of the company by public meeting and interviews.

The stakeholder process is important to identify any conflicts between forest management and regional stakeholders with ecological, social or economical interests in the forests. Local people have also been invited for participation.

## 2.4. Inspection (Audit)

The aim of the inspection is fact finding. The management system was evaluated by field visits and detailed document control in the office. In case of non compliance at single samples additional samples will be necessary.

Date	Topic	Participants
Morning of Dec. 13, 2006	Opening meeting, document check	Rm. CFF Head Office in Changhua Town. Lei Fumin-CFF director, Cheng Zhangfeng-director assistant, Yao Genshou-Chairman of Works Union, Jiang Chaoyang-sales manager, Fei Junxia-accountant.
Afternoon of Dec. 13, 2006	Public Stakeholder Meeting. Document check.	Qing Liang Feng Natural Reserve (QLFNR) Head office. Zhang Hingwei-Senior Engineer of QLFNR, Zhang Honghua-deputy director of Environment Protection Administration, Fu Huichang-section chief of Lanan Forestry Administration, Xu Genming-Longgang town.
Dec. 16, 2006	Field visit to natural forest; near-full grown pine stand, Medium age pine stand due for harvest in 2010; two Chinese fir stands harvested; Logging site; two PSP for monitoring of the forest management, one monitoring spot for water quality, and one for soil survey; interviewed three farmers contracted by CFF for planting, harvesting and patrolling.	Cheng Zhangfeng-director assistant, Yao Genshou-Chairman of Works Union, Jiang Chaoyang-sales manager, Mr. Zhen Zhilai – Felling contractor, Mr. Yu Yunhai – Weeding contractor, Mr. Tang Minhong – forest patrolling contractor.
Dec. 17, 2006	Document check, visit to log yard, closing meeting	All staff and managers

The IMO team consisted of one international IMO forestry expert and one Chinese co-auditor. The international expert is qualified by a forestry education in Germany and Switzerland (university degree and Staatsexamen) and seven years of inspection work for IMO in chain of custody and forestry management certifications. He is a member of the German national FSC working group and participates actively in the development of national standards and other work.

The Chinese expert has a Bachelor's of Science degree in forestry from 1982. He has over 20 years of practical experience in forest conservation and management. He received additional training from the World Bank, Canada International Development Agency and Canada Forest Agency in forest project management. He also participated in FSC certification auditor training provided by FSC accredited certification bodies GFA Terra Systems and the Rainforest Alliance's SmartWood Program and has participated in a number of FSC certification conferences and workshops. He has participated in 7 different types of FM certification assessment, and been lead auditor for more than 12 COC audits in the past years.

The forest management was inspected for all aspects in the field, wherever the activities were taking place. The concepts of biodiversity, worker welfare and safety and long term planning of the forest areas were important subjects of the inspection. The results were documented and the detected non conformities were discussed on site. The results are summarised in the internal report.

In the office, the operation structure and the business policy were analysed by discussions with the management and other employees. Documentation was checked through a comprehensive file control.

## **2.5. Certification decision**

The certification decision will be taken by an independent council of IMO, the IMO certification committee. This decision is based on all available information from the report, checklist, comments or company data. A formal complaint procedure is open for anybody who is not satisfied with the decision.

## **3. FSC stakeholder process**

To identify stakeholders different sources were used. The first proposal of stakeholders was made by CFF. This list was checked by the Chinese expert who added a few more addresses.

Stakeholders were informed prior to the audit in writing and many of them were also personally contacted by interviews and public meeting during the audit.

### **3.1. Reaction of the Stakeholders**

The list of all contacted persons and institutions can be found in the annex. Since a personal meeting was planned from the very beginning; no written comments were submitted. The meeting took place with 12 people (including interviews) for 6.5 hrs in total. The comments were positive. Those stakeholders who are working on the national level were not present and were contacted by phone, too. They gave neutral comments lack of local knowledge of the specific forest.

### **3.2. Comments on the guidelines**

No comments were made on the principles and criteria of FSC.

### 3.3. Comments on the forest enterprise

a) WWF China	No direct knowledge of FSC requirements and the Company
b) Qing Liang Feng Natural Reserve	In the past five years, CFF cooperated sufficiently with QLFNR in protecting RTE species and its habitats.
c) Worker Union leader	The Company resolves labour issues in discussions with the unions and has a functional procedure to deal with conflicts.
a) WWF China b) Greenpeace China	No direct knowledge of FSC requirements and the Company
c) Qing Liang Feng Natural Reserve	In the past five years, CFF cooperated sufficiently with QLFNR in protecting RTE species and its habitats.
d) Linan Forest Administration	CFF is the first one who manages its forest for the multiple purposes of social harmony, environmental protection and economical development in this province.
e) Linan Environment Protection	With the great contributions from the forests including CFF's, Linan city now has a very good environment with high quality of air, drinkable water in the river.
f) Long Gang Town	Local farmers benefit from the jobs, roads, trainings etc. provided by CFF.
h) Worker Union leader	The Company resolves labour issues in discussions with the unions and has a functional procedure to deal with conflicts.

### 3.4. Results of the stakeholder process

The comments were mainly positive and confirmed the information given by CFF concerning the activities and the good relationship between the CFF and the workers and other people living nearby. Several times it was stated that CFF would have a nation-wide reputation regarding its social and ecological management and that great progress would have been made since certification in 2001.

## 4. Required actions and improvements

The determination of the conditions is the essential result of the audit. The situation in the company is compared with the FSC Principles & Criteria and any deviation from the standard is described in the internal report. Any identified weak points will result in a "corrective action request (CAR)", i.e. condition (c).

In case of major violations from the guidelines this CAR will be a pre-condition (PC) which must be fulfilled before the certificate can be issued.

In case of minor deviations, conditions are issued which are to be fulfilled in a specific period of time.

In the case of insignificant possibilities for improvement which are not directly connected to the guideline, recommendations are expressed which are not binding.

<b>Legend of the tables:</b>	No. /Year	current number and date
	Deadline	Deadline to which the condition must be fulfilled, otherwise it will be intensified (for example to a pre-condition from this moment on).
	Status	Field for internal control

#### 4.1. No old pre-conditions or conditions

After the last surveillance audit neither pre-conditions nor conditions were issued by the former certifier SmartWood.

(At certificate transfer any conditions and recommendations must be checked also by the new certifier.)

#### 4.2. Old recommendations

In the last report, SmartWood had an Observation: “However, it would be better if CFF can have the work instructions written separately as an operation manual, especially have some maps with all identified items and locations on.”

Whilst the audit by IMO, there already exist some operation manuals e.g. Harvesting Instruction, Road Building Instruction, and with some other work instructions prescribed in the Management Plan such as Monitoring of the water, soil. CFF shall continue the effort to make all its work instructions more standard in the written form.

#### 4.3. No new pre-conditions

#### 4.4. New conditions regarding Principle 4 (Safety and Worker’s Rights)

No./Year	Conditions 2006 for CFF	Deadline	Status
<b>6/06</b> <b>c</b> (4.2.4 & 4.2.8)	Procedures must be developed for dealing with accidents. Appropriate safety equipment must be available in the workplace.	<b>08/2007</b>	

#### 4.5. New conditions regarding Principle 6 (Environment)

No./Year	Conditions 2006 for CFF	Deadline	Status
<b>1/06</b> <b>c</b> (6.3.10 & 6.3.11)	In the management of forest harvesting and thinning, CFF must intentionally reserve the dead trees on the lands as a way to promote the local biodiversity. The stock inventory of dead trees shall be surveyed and recorded.	<b>08/2007</b>	
<b>2/06</b> <b>c</b> (6.5.1 & 6.5.2)	Soil erosions caused by road construction and maintaining have to be monitored closely. Special attention must be paid near water sources.	<b>08/2007</b>	

<b>5/06</b> <b>c</b> (6.3.5.)	A concept how to increase the naturally regenerated area is to be established.	<b>08/2007</b>	
-------------------------------------	--	----------------	--

#### 4.6. New conditions regarding Principle 7 (Management Plan)

No./Year	Conditions 2006 for CFF	Deadline	Status
<b>3/06</b> <b>c</b> (7.1.3a & 7.1.3b)	Description on the statistics, management and reservation for the dead trees should be specified in the management plan. Regulations about leaving big trees while harvesting, and allowing them to grow continuously until its naturally death, should also be incorporated into the plan.	<b>08/2007</b>	

#### 4.7. New conditions regarding Principle 8 (Monitoring)

No./Year	Conditions 2006 for CFF	Deadline	Status
<b>4/06</b> <b>c</b> (8.2.1b)	Any accidents must be recorded on an annual basis. (Colin, I divided this condition into two. See also 6/06.)	<b>12/2007</b>	
<b>7/06</b> <b>c</b> (8.3.2)	On the invoices and delivery notes for certified products, the new certificate number (IMO-FM/COC-27041) and the category "FSC pure" have to be indicated.  A specimen must be sent to IMO	<b>08/2007</b>	

#### 4.8. New recommendations

No./Year	Recommendations 2006 for CFF	Status
<b>A/06</b>	Permanent sample plots should be located more inside the stands in order to minimise any influences from roads.	

## 5. Summary of the strengths and weaknesses

### 5.1. List of strengths in relation to the FSC-guidelines

After five years of certification, CFF has implemented the FSC standard almost completely. There is a comprehensive and sorted documentation.

CFF has contributed a lot to the local economy by supplying timber to manufactures, providing jobs to villagers, building roads inside and outside of its managed area, and training local people to qualified forest workers. On the other hand, CFF and its staff also benefit from the forest management operation, e.g. the value added forests, the new head office, the increased salaries. Being the first FSC certified forest, CFF is well known in the forestry industry in China now, and the timber price that CFF sold as FSC certified is obviously higher than the non-certified that encourage CFF further to apply for the next five year rotation of the certification.

Concepts of the sustainable forest and biodiversity protection are widely accepted by the CFF management and highly reputed by local stakeholders and cross-region. CFF will continue the multi-purpose policy in the new five years management plan in full conformity with the FSC requirements.

## **5.2. List of weaknesses in relation to the FSC-guidelines**

CFF, as a small forest management operation, contracts most of its jobs to the local villagers, where some inconformity with FSC requirement occurred while forest harvesting, road building etc. Full control of soil erosion and water source protections has not been done.

Though the provision on working safety has been written in the management plan, it is not well implemented and recorded in the past years and a procedure for dealing with accidents is missing.

## **6. Decision for Certification**

### **6.1. Recommendation for certification (inspection team)**

Considering the entire situation and the conditions listed it is assumed that the company will fulfil the FSC standard completely. Thus, recognition of CFF in the field of Forest Management and Chain Of Custody is recommended.

January 2007  
Wang Dong, co-auditor, national expert  
Thomas Papp-Váry, lead auditor  
-----

### 6.2. Positive certification decision

The certificate is issued for the following company and assortments.

Forest company	Assortment	Annual production	Certification
Changhua Forest Farm	Logs & Bamboo	About 2000 cubic meters	<b>FSC: IMO-FM/COC- 27041</b>

### 6.3. Authorisation

By authorisation of this report the client accepts the correctness of this report (public and internal part) and obliges himself to follow the relevant FSC standard, to the punctual fulfilment of the conditions and to the consideration of the recommendations.

Contents checked and approved by	
Institute for Marketecology   Institut für Marktökologie Weststr. 51 CH-8570 Weinfelden Tel. +41-(0)71 626 0 626 Fax +41-(0)71 626 0 623  Weinfelden, 28.02.2007	Client       Place, Date
 (Rebecca Neiger)	Signature

## I. REGISTRATION FORM (PUBLIC PART)

### ENGLISH SUMMARY and BASIC INFORMATION TO BE SUBMITTED TO FSC

#### Part I: Certification details - to be completed by IMO

Template version: *M-templates-en-Jun06 (Dateiname mit Datum nennen)*

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Registration code                 | IMO-FM/COC-27041   |
| 2. | FSC Standard                      | IMO generic standard China; downloadable via <a href="http://www.imo.ch">www.imo.ch</a>  |
| 3. | Scope of certificate              | Forest Management (FM/COC): Changhua Forest Farm, Maoshan forest area. Province of Zhejiang, China<br>Semi-natural forest  |
| 4. | Type of certificate               | single FMU   |
| 5. | Report No.                        | 06 2363 01 a + b (audit on 17.12.2006)   |
| 6. | Previous reports with audit dates | SmartWood reports from the first five-years certification period   |
| 7. | Auditor(s)                        | 1. Thomas Papp-Váry (lead auditor) 2. Wang Dong (local expert)   |
| 8. | Qualification                     | 1. MSc forestry, Forstassessor. Administrative coordinator of Dep. of Forestry and Timber since 2000; lead auditor since 2002<br>2. BSc Forestry, COC lead auditor for CU since 2005, IMO auditor since 2006 |

#### Part II: Company details - to be checked by client

- |     |  |                                       |
|-----|--|---------------------------------------|
| 1.  | Company name   | Changhua Forest Farm                  |
| 2.  | Forest workers (incl. contractors)                                       | 40                                    |
| 3.  | Latitude/Longitude   | N 30°, 15', 25'' / E 119°, 07', 11 '' |
| 4.  | Total <u>number</u> of FMUs in scope of certificate (individual company) | 1                                     |
| 5.  | Number of members (groups)   | n/a                                   |
| 6.  | Total managed area of company / group [ha]                               | 873                                   |
| 7.  | Tenure   | all state owned                       |
| 8.  | Total forested area [ha] (Holzbodenfläche)                               | 795                                   |
| 9.  | thereof for groups   | n/a                                   |
| 10. | thereof managed as plantation [ha]                                       | none                                  |
| 11. | thereof managed by natural regeneration [ha]                             | 20 ha (mainly bamboo and Chinese fir) |
| 12. | thereof protected from commercial timber harvesting                      | 55 ha (protected for tourism)         |
| 13. | Chemicals and pesticides used  | none                                  |
| 14. | Forest Zone  | subtropical                           |

15. Species composition Conifers 49%  
*Cunninghamia lanceolata* / Shamu / Chinese fir  
*Pinus massoniana* / Mawei song / Masson pine = Chinese red pine  
*Pinus taiwanensi* / Huangshan song / Taiwan pine = yellow mountain pine  
*Cryptomeria japonica* / Riben liushan / Japanese cedar and other conifers  
various broadleaf trees and bamboo 51%
16. Forest products - timber: Type (0311 - Logs of coniferous wood, 0312 - Logs of non-coniferous wood)
17. Approximate annual allowable cut by main commercial species 2500 m<sup>3</sup>
18. Derivation of annual allowable cut permanent sample plots and survey
19. Main commercial non-timber products bamboo
20. Annual production of commercial Non Timber Forest Products 2000-3000 pieces
21. Processing products timber and NTFP none
22. High Conservation Value Forests total: None
23. High Conservation Values by category: n/a

## Annex

### Stakeholders

Organisation	Department	Address/Street	Postcode
Linan Forestry Bureau	Administration	Linan Forestry Bureau	311300
Academy of Forest Planning and Designing		No. 67 of Huajiachi, Fengqi Dong Lu, Hangzhou	310020
Qing Liang Feng Natural Reserve	Director	Fengshiling, Changhua, Zhejiang	311321
Qing Liang Feng Natural Reserve	Training	Fengshiling, Changhua, Zhejiang	311321
Xin Jin Village	Head	Xin Jin Village, Longgang Town, Linan	311322
Xin Jin Village	Secretary	Xin Jin Village, Longgang Town, Linan	311322
Changhua Forest Farm	Accountant	Changhua Forest Farm, Longgang Town, Linan	311322
Changhua Forest Station	Head	Changhua Forest Station, Longgang Town, Linan	311321
WWF China		Room 1609, Wenhua Gong, Beijing Working People's Culture Palace (Laodong Renmin Wenhua Gong Dongmen), Beijing	100006
Greenpeace China		Unit 2, 19/F, Block E, Lanchou Famous Building Jiqingli, Chaowai Street, Chaoyang District, Beijing	100020