

## **2007 Surveillance Evaluation Report**

### **FSC – Forest Management**

**Certification Registration Code: IMO-FM/COC-027041**

Report No.: 07 2363 02

#### **Changhua Forest Farm**

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Date of control:	August 20, 2007
Leading Auditor:	Thomas Papp-Váry
Co-Auditor:	Wang Dong
Contact person IMO:	Thomas Papp-Váry
Date of report:	April 07, 2008
Date of certification	March 30, 2007 (IMO)
Validity of certificate	December 31, 2008

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#### **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 surveillance 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.

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## 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

## **A: PUBLIC PART**

### **1 Information about the surveillance**

The annual surveillance (monitoring) audit is evaluating the compliance of the company with FSC standards on a sampling basis. It is shorter than the main or re-audit and checking only parts of the standard and the company. Compliance with prior correction action requests (conditions) as well as changes within the company are mainly controlled. These results are presented in this report; full details about the company are presented in the public re-certification report.

#### **1.1 Overview of audits**

Type of audit	Date	Auditors	Regions
Main audit and surveillances by former certifier SmartWood	2001-2005		entire company
Re-audit	13, 16, 17 Dec 2006	TP, WaC	entire company (managed and protected forests)
surveillance	20 Aug 2007	TP, WaC	Entire company (manged forests)

Total number of person days used for the audit: 2 (2 auditors on one day)

The audit focused on the status of the conditions (corrective action requests) of the 2006 audit. Besides this, the volumes of felled and sold timber was controlled in the office. A review of the management plan and other documents such as invoices and maps was also done in the office.

The field audit focused on forest management after cutting and development of young stands including site visit to a planted mixed forest, road maintenance, conservation zones and log yard.

A Interview with the Changhua forest managers, Qingliangfeng Natural Reserve Staff and Linan Forestry Bureau representatives was also part of the audit.

On the part of CFF, Mr. Lei Fumin was permanently present at the audit. In the morning, the entire office crew took part on the audit, in the afternoon in the field the forest engineers. On the part of IMO, the audit team was composed of Wang Dong (WaC), BSc forestry and Thomas Papp-Váry (TP), MSc forestry who was accompanied by Mrs Cheng Zheqiong, textile engineer, as interpreter from the IMO China office in Nanjing.

## **1.2 Standards**

As for the re-audit in 2006, the adopted generic standard of IMO for China was used in the version of November 2006. No changes of the standard were made since the last re-audit in 2006.

## **1.3 Stakeholders**

There was a stakeholder consultation done by the CFF management which had contacts with Qing Liang Feng Natural Reserve, the state forestry bureau (Mr. Fu Huichang) and some inhabitants.

IMO received no complaints or comments concerning neither on CFF's forest management practices nor on the standard since last re-certification audit from any stakeholder.

# **2 Information about the company**

## **2.1 Changes in the company**

There were no changes to the staff or forest management system since the last audit. However, an updated management plan was submitted to the Lin'an Forestry Bureau for approval on the day after the IMO re-certification audit in 2006.

## **2.2 Comparison of harvest and annual allowable cut**

The annual allowable cut amounts to approx. 2100 m<sup>3</sup>. The logged volume as of Aug 2007 was 1300 m<sup>3</sup>, the logging process is good in line with the planned total volume. The quantity sold from January to mid of August 2007 was 834,6 m<sup>3</sup>. Sustainability is not infringed.

# **3 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)".

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

In case of minor deviations CARs become conditions 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

### 3.1 Old Conditions

#### 3.1.1 Old conditions regarding Principle 4

No./Year (Indicator)	Conditions 2006 for CFF	Deadline	Status
<b>6/06 c</b> (4.2.4 & 4.2.8)	Procedures must be developed for Appropriate safety equipment must be available in the workplace.dealing with accidents.	<b>08/2007</b>	<b>extended</b>
	Written procedure is available and the first aid kit and mobile phone were presented in office but could not be seen in workplace due to major force; the road to the harvesting site was damaged by heavy rain.  The evaluation in the field is therefore still pending.		

#### 3.1.2 Old conditions regarding Principle 6

No./Year	Conditions 2006 for CFF	Deadline	Status
<b>1/06 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>fulfilled</b>
	Record of dead wood inventory was presented whilst audit. CFF revised and supplemented the management plan with an annual management program, a dead wood management plan which includes responsible personnel, sampling method of inventory, indicators, and the management to be implemented later on.		
<b>2/06 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>fulfilled</b>
	A plan was made to monitor soil erosion and water source.		

<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>	<b>fulfilled</b>
	Natural regeneration is used for some species always as mean of regeneration and also integrated into the management of plantations. Examples were shown of mixed stands, where the native species from natural regeneration are growing inbetween the planted trees.		

### 3.1.3 Old conditions regarding Principle 7

<b>No./Year</b>	<b>Conditions 2006 for CFF</b>	<b>Deadline</b>	<b>Status</b>
<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>	<b>fulfilled</b>
	The management plan was revised and contains all requirements.		

### 3.1.4 Old conditions regarding Principle 8

<b>No./Year</b>	<b>Conditions 2006 for CFF</b>	<b>Deadline</b>	<b>Status</b>
<b>4/06</b> <b>c</b> (8.2.1b)	Any accidents must be recorded on an annual basis.	<b>12/2007</b>	<b>fulfilled</b>
	A record is available.		
<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>	<b>fulfilled</b>
	New certificate number (IMO-FM/COC-27041) has replaced the previous number. A specimen was provided whilst surveillance audit		

### 3.1.5 Old recommendations

<b>No./Year</b>	<b>Recommendations 2006 for CFF</b>	<b>Status</b>
<b>A/06</b>	Permanent sample plots should be located more inside the stands in order to minimise any influences from roads.	<b>fulfilled</b>
	Three additional out of four to six planned PSPs were set up, which are located more inside the stands.	

### 3.2 Current conditions

#### 3.2.1 Current conditions regarding Principle 4 (Safety and worker's rights)

No./Year	Conditions 2007 for CFF	Deadline	Status
6/06 c (4.2.4 & 4.2.8)	Appropriate safety equipment must be available in the workplace. The implementation of the internal concept must be confirmed by a field audit of IMO.	Ext. 10/2008	

### 3.3 Current recommendations

No./Year	Recommendations 2007 for CFF	Status
A/07	For any new use of the logo and further use of the certification number, CFF should already use the new 6-digit number IMO-FM/COC-027041.	

## 4 Decision for Certification

### 4.1 Recommendation for certification (inspection team)

The auditors found that CFF has successfully complied with all of the CARs resulting from the re-certification audit in 2006. 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.

March 2008  
Wang Dong, co-auditor, national expert  
Thomas Papp-Váry, lead auditor

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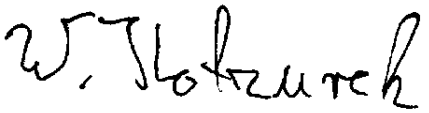
#### 4.2 Certification decision

The recommendation was followed by the IMO certification committee. The certificate is issued for the following company and assortment:

Forest company	Assortment	Annual production	Certification
Changhua Forest Farm	Logs & bamboo	about 2000 cubic meters	<b>FSC: IMO-FM/COC-027041</b>

#### 4.3 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, 07 April 2008	Client        Place, Date
 (Wolfram Kotzurek )	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:	<i>M-templates-en-Jun07 (File name and date)</i>
1.	Registration code	IMO-FM/COC-027041
2.	FSC Standard	IMO generic standard China (Nov 2006); 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
4.	Type of certificate	single FMU
5.	Report No.	07 2363 02 (audit on 20.08.2007)
6.	Previous reports with audit dates	06 2363 01 a + b (audit on 17.12.2006) plus SMARTWOOD reports of 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 2. BSc Forestry, COC lead auditor for CU since 2005, IMO auditor since 2006

1. Part II: Company details - to be checked by client		
2.	Company name	Changhua Forest Farm
3.	Forest workers (incl. contractors)	40
4.	Latitude/Longitude	N 30°, 15', 25'' / E 119°, 07', 11 ''
5.	Total number of FMUs in scope of certificate (individual company)	1
6.	Number of members (groups)	n/a
7.	Total managed area of company	873 ha
8.	Tenure	State owned 873 ha
9.	Total forested area	873 ha
10.	thereof	1 FMUs 100 - 1000 ha [total area 873 ha]
11.	thereof managed as plantation	none
12.	thereof managed by natural regeneration	20%, approx. 160 ha
13.	thereof managed by replanting	660 ha (replanting = planted forest = Pflanzung)
14.	thereof protected from commercial timber harvesting	a) thereof 55 ha for conservation (tourism) b) thereof 0 ha for NTFP or services
15.	Chemicals and pesticides used	None
16.	Forest Zone	subtropical

17	Species composition	<u>Conifers 49%</u> <i>Cunninghamia lanceolata</i> / Shamu / Chinese fir <i>Pinus massoniana</i> / Mawei song / Masson pine = Chinese red pine <i>Pinus taiwanensi</i> / Huangshan song / Taiwan pine = yellow mountain pine <i>Cryptomeria japonica</i> / Riben liushan / Japanese cedar and other conifers <u>various broadleaf trees and bamboo 51%</u>
18	Forest products - timber:	Type (0311 - Logs of coniferous wood, 0312 - Logs of non-coniferous wood)
19	Approximate annual allowable cut by main commercial species	2100 m <sup>3</sup> (51% deciduous; 49% conifers)
20	Basis for annual allowable cut	permanent sample plots and survey
21	Annual production of main commercial wood species	1600 m <sup>3</sup> <i>Cunninghamia lanceolata</i> / Shamu / Chinese fir <i>Pinus massoniana</i> / Masson pine 500 m <sup>3</sup> various broadleaf trees
22	Main commercial non-timber products	bamboo, nuts, both sold as uncertified
23	Annual production of commercial Non Timber Forest Products	2000-3000 pieces bamboo, some nuts
24	Processing products timber and NTFP	none
25	High Conservation Value Forests total:	none
26	High Conservation Values by category:	none