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Value Assessment of Certified Logger Programs - Sewell Company - November 14 2018

Gary Mullaney

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RESEARCH REPORT

Value Assessment of Certified Logger Programs

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. OBJECTIVES AND METHODOLOGY

BACKGROUND

Master Logger Certification (MLC) programs have been positioned as creating value for loggers, landowners, mills and the public in general. A good three-minute summary of the value proposition is available in this promotional video by the Missouri Forest Products Council.

MLC programs have been in place for more than a decade in a number of states. No prior research has systematically measured the effects on the various stakeholders. WSRI sought to test the MLC value proposition, and specifically to identify and describe any actual benefits that have resulted.

TYPES OF RESEARCH

Knapp and Associates of Princeton, NJ suggests a taxonomy for research on the value of any professional certification program, summarize in Table 2-1.

Table 1-1. Taxonomy for "Value of Certification" Research[1]

Type	Name	Answers the Question...
A	Perceived Value	Do stakeholders perceive certification to have value (and to what degree)?
B	Influence on Stakeholder Behavior	Does certification influence stakeholder behavior / decision making?
C	Demonstration of Expected Knowledge/Behavior	Do certified individuals exhibit the expected knowledge and behavior on the job?
D	Behavioral Differences Exhibited by Certificants	Do certified individuals behave / perform differently from non-certified individuals?

We chose Type A – Perceived Value as the primary approach in this first study. We sought to determine if stakeholders perceive value, to what degree, and in what specific practices or characteristics. To that we added one element of Type B: we asked stakeholders about how preferences for Certified loggers influence their decisions.

Research of Types C and D would require assessment of performance characteristics on actual job sites with Certified and non-Certified firms. Potentially more costly, such

[1] Knapp & Associates, Princeton, NJ. Demonstrating the Value of Certification: A Roadmap to Conducting Meaningful Research. July, 2012.

research at the level of individual states would likely prove valuable for both managing the program and marketing it.

DEFINITION AND SELECTION OF MLC PROGRAMS

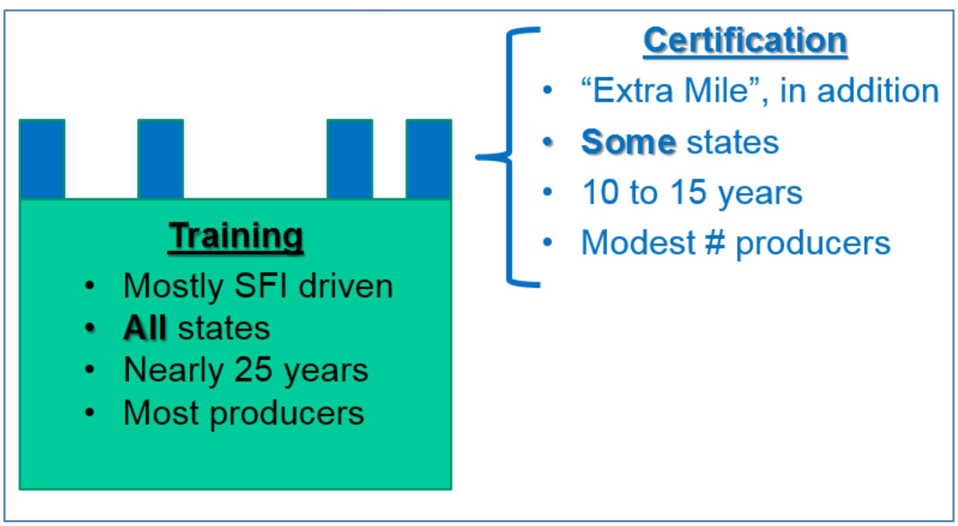
A definition was required in order to determine which Logger Certification programs to include. With concurrence from WSRI, we chose four criteria:

- Documented, verifiable performance standards exist.
- Firms are certified rather than individuals.
- An initial, 3rd party audit is required for Certification.
- Periodic 3rd party audits are required in order to remain Certified.

As the work proceeded, it became clear that all of the programs meet a fifth requirement: a means for affected parties to report what they believe to be performance issues and seek resolution.

The criteria serve to distinguish *Certification* programs from the logger *training* programs that operate in the same states. The distinction is critical to understanding the scope of the present study. It is illustrated in Figure 1-1.

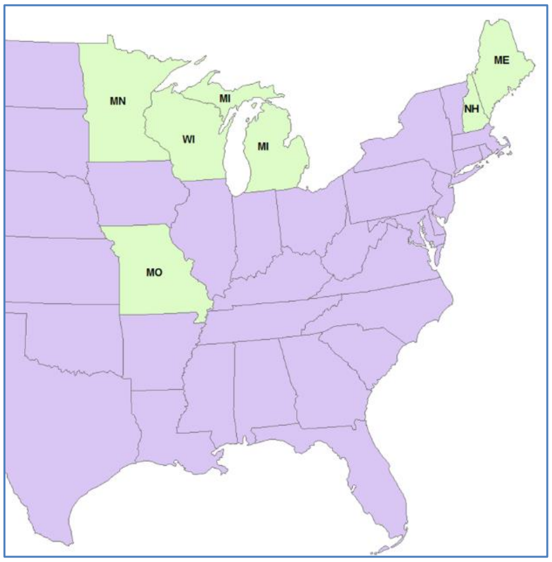
Figure 1-1. Distinction between Certification and Training Programs



The illustration serves as a reminder that Certification is a step *in addition to* meeting the training requirements that are typically driven by the SFI Implementation Committee in each state. It is important to note that the present study did not assess the value or effectiveness of the "green box" (training). Rather, our entire focus was on the "blue bars", the true Certification programs that have developed in selected states.

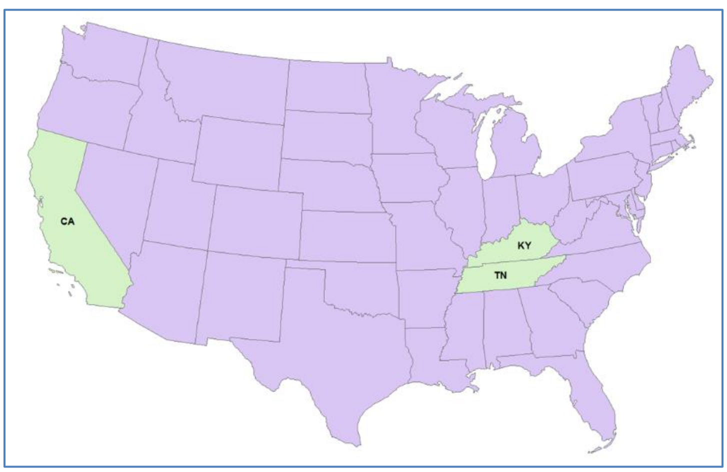
After a review of all states with programs, five programs were selected for the stakeholder perception survey (Figure 1-2).

Figure 1-2. Programs/States Selected for Stakeholder Perception Study



Maine and New Hampshire are part of one Certification program managed by the Trust to Conserve NorthEast Forestlands (TCNEF). All the states shown have fully active programs that meet the criteria.

Figure 1-3. States with Inactive Programs



Kentucky and Tennessee had a single active program in past years organized by the University of Kentucky, but have withdrawn the program temporarily in order to consider revisions. California had a small program led by Associate California Loggers, but they have also suspended new Certifications in order to rethink some aspects.

Figure 1-4. States with Forest Practice Laws

The MLC programs in Idaho, Oregon, and Washington were considered, but left out of the study. These three states have forest practice laws that require notification and, in some cases, site-specific permitting. Logging sites are subject to inspections by state forestry or water quality personnel, with financial and legal consequences for egregious rules violations. Because loggers already undergo such audits, the Master Logger Certification programs do not require additional field checks. Virtually all the full-time producers have *both* the SFI training and the Master Logger Certification. There is no distinctive subset of certified loggers available for study. Referring to the diagram in Figure 2-1, in these three states there are effectively no "blue bars" about which to measure perceptions. Training and Certification are intertwined. We make no judgements on the wisdom or effectiveness of the approach. The structure of Certification in regulated states is a separate question, beyond the scope of the current study. We omit Washington, Oregon, and Idaho solely because in those states it is not currently possible to measure perceptions of Master Logger Certification as a separate and distinct program.

METHODOLOGY AND INTERVIEW COUNT

For the five selected programs, we first interviewed the state program coordinators. These discussions covered the history, status, policies, and procedures of the program in each state from the perspective of the coordinator. With help from Mr. Don Peterson, coordinator for the Wisconsin program (as well as Michigan), we designed a pilot set of interview guides and built stakeholder contact lists for Wisconsin. Interviews were completed there first, and the results were used to refine the guides and the process.

Most interviews were conducted by telephone. All telephone interviews were conducted by experienced foresters at Sewall. In some cases, consulting foresters were invited to complete the interview form themselves using a web version, as were some small landowners.

Table 1-2. Number of Interviews by State and Stakeholder Group

	Maine	Michigan	Minnesota	Missouri	Wisconsin	TOTAL
Master Logger	22	15	9	8	19	**73**
Small Landowner	30	52	0	0	13	**95**
Large Landowner	8	8	4	0	9	**29**
Large Mill	8	5	5	1	7	**26**
Consultant	21	12	13	3	4	**53**
TOTAL	**89**	**92**	**31**	**12**	**52**	**276**

In Michigan and Wisconsin, the small landowner sample was taken from a state-provided listing of parcels and owners that qualified for special managed forest taxation, and that had completed a timber harvest within the past five years. Such a list was not available in Maine, so we invited the members of the Maine Woodland Owners Association to participate. The distinction is important because the Michigan and Wisconsin samples are representative of a much larger group of small forest landowners, while the Maine sample represents the smaller population of landowners who have enough interest in forest management to participate in an association.

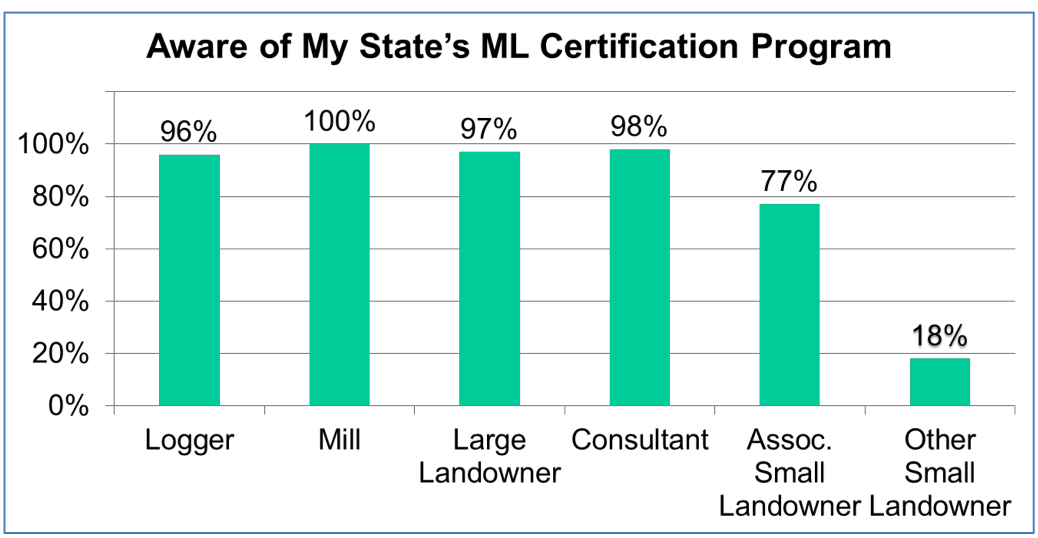
2. STAKEHOLDER PERCEPTIONS

This section will summarize the perceptions of stakeholders across all of the state programs that were included.

AWARENESS

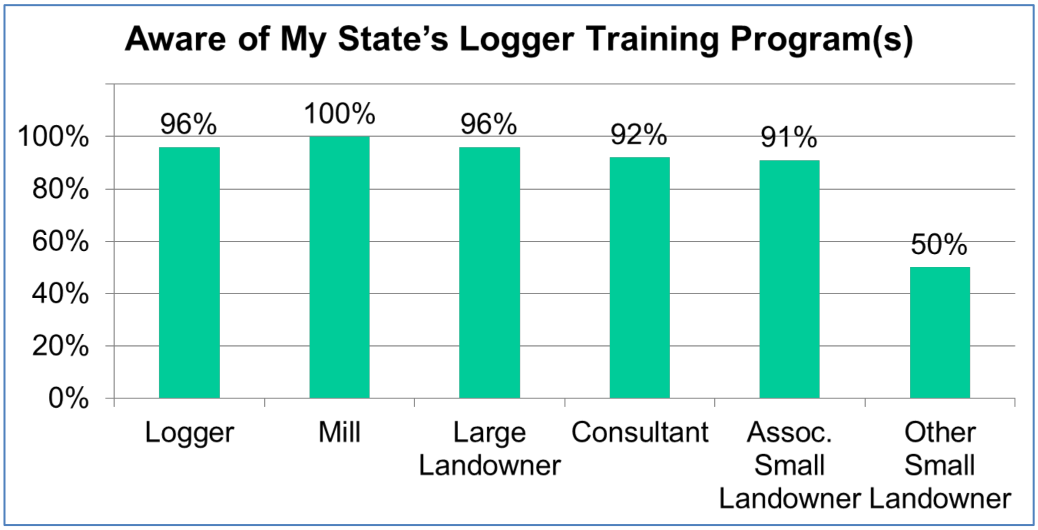
Before testing any perceptions of value, it was first necessary to establish if the participants were even *aware* of the existence of the Master Logger *Certification* program as distinct from training programs.

Figure 2-1. Stakeholder Awareness of the MLC Program



Among industry participants, we found essentially full awareness of the existence of the MLC program. Awareness fell off somewhat among small landowners who belong to associations, and then dropped to very low levels among "tax-roll" small forest landowners who had completed a timber harvest in the past five years.

Figure 2-2. Stakeholder Awareness of Logger Training Programs



Somewhat in contrast, we found levels of awareness of logger *training* programs to be clearly higher among both association small landowners and other small landowners.

OVERALL VALUE PERCEPTION

Participants who were aware of MLC were then asked the following question:

> *In your view, how has the Master Logger Program* ***affected the overall timber industry*** *in your state?*

The question sought to measure perception of the value of the program generally, not the specific experience of the individual respondent.

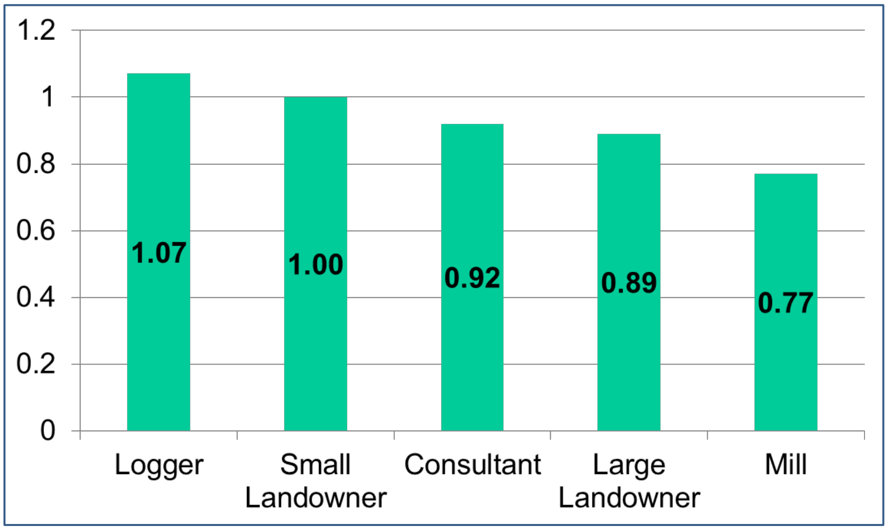
The response choices were:

Table 2-1. Response Choices for Overall Perception of the Value of MLC

Choice	Score
Very Valuable	2
Somewhat Valuable	1
No Significant Effect	0
Negative Impact	-1

An even number of choices was intentionally chosen so that there would be no "neutral" central position. Many respondents hesitated and appeared to think deeply about the choice between "No Significant Effect" and "Somewhat Valuable".

Figure 2-3. Composite Perception of the Value of MLC by Stakeholder Group



A group has an aggregate positive view of the value of the program when their weighted average response reaches 1.0 or higher. It is perhaps no surprise that MLC loggers, who have invested time and money in the program, have a clearly positive view (1.07), just above "Somewhat Valuable".

The modest number of small landowners (26 of 95 interviewed) who were *aware* of MLC had a positive view as well (1.00).

Consultants and large landowners fell somewhat short of positive, landing instead toward the high end of "no significant positive effect". Many of these respondents added the word "yet", implying that they saw some potential.

Mills had the lowest aggregate view of the value of the MLC program.

Figure 2-4. Percentage Stakeholders Who Responded "No Significant Effect"

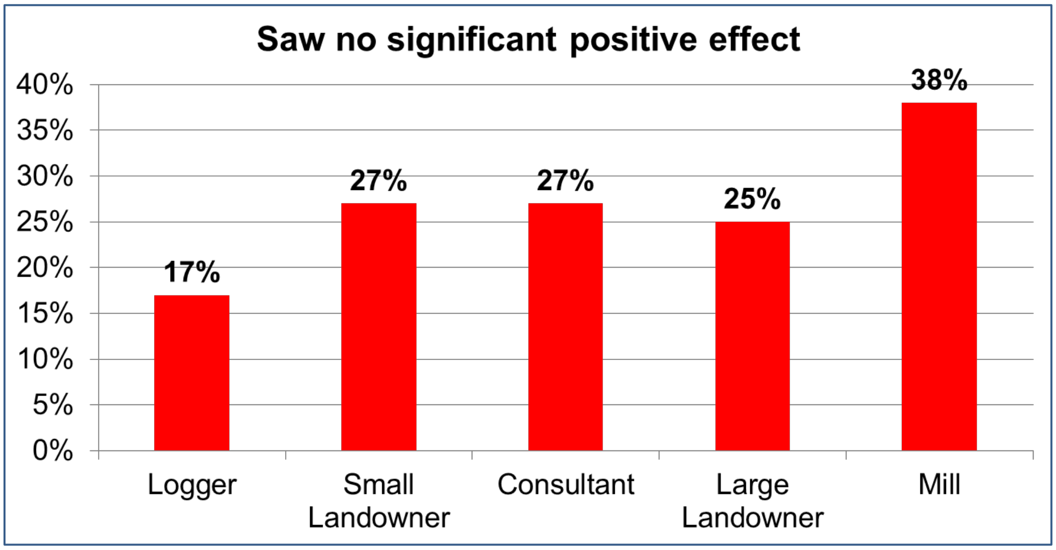
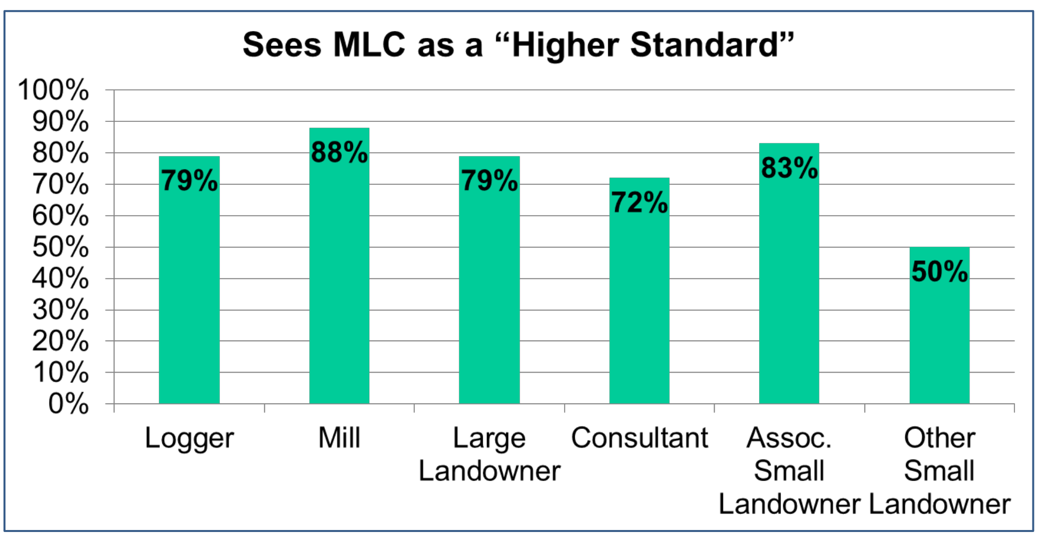


Figure 3.4 shows the degree of negative overall value perception. Again, the mills stand out as more than 1 in 3 had this view, while only 1 in 5 loggers and 1 in 4 other industry players did.

DISTINCTION BETWEEN TRAINING AND CERTIFICATION

For the larger number of respondents (159 of 211 aware) who did see value in the program, we first asked them to describe the distinction between training programs and certification. Interviewers were careful not to guide these responses in any way. We first evaluated their responses to test if they included the perception of MLC as a "higher standard".

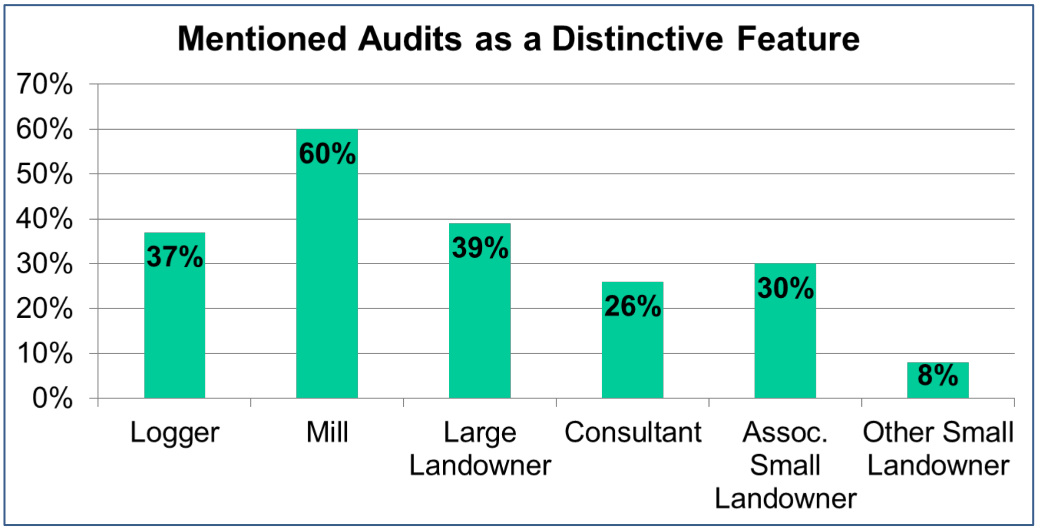
Figure 2-5. Mention of a Higher Standard as a Distinctive Feature of MLC



Among industry players, a significant majority cited a higher standard as a distinctive characteristic of certification as compared to training alone. This result confirms that the "positioning" of MLC as a higher standard has been effective. Only about 1 in 5 fail to cite this as a defining characteristic.

We then examined the responses to test how many cited field audits as a distinctive feature.

Figure 2-6. Mention of Audits as a Distinctive Feature of MLC



Mills, which often have their own audit programs, cited the ML audits as a feature more frequently. Among other industry players, including the Master Loggers themselves, only about a third mentioned audits when asked how ML is different from training. This could reflect the fact that audits have not been central to the messaging, that they are not highly visible, or that they are sometimes confused with other field check such as SFI or state BMP checks.

3. SPECIFIC IDENTIFIED VALUES

Again for those who saw value in the program, we read a series of positive benefit statements similar to the following (from the logger list):

> *I get work referred to me that I would not hear about otherwise. As a result, I don't have to spend as much effort looking for or bidding on jobs.*

Three responses were possible:

Table 3-1. Response Choices for Specific Benefit Statements

Response	Points
Strongly agree	2
Agree	1

Disagree	0

The weighted average raw score for each question ranges from 0.0 to 2.0. In order to make a "degree of agreement" index that would range from 0 to 100 (like a test score) we multiplied the raw score by 100, then divided by 2. The highest index scores were in the 70's, indicating 70% of the highest possible level of agreement.

LOGGERS

For loggers, 16 different positive benefit statements were read.

Table 3-2. Highest Ranked Benefits - Loggers

Benefit	Score (0 to 100)
Sense of **pride** and accomplishment	73
Recognition for being among the best	72
Chance to **continually improve** the operation	71
Loggers setting their **own standards**	59
Work gets **referred to me**	51

The four highest endorsed benefits for loggers each have to do with heightened professionalism. They relate to self-image and image in the community. This result implies a close fit between the stated goals of the ML program and the motivation of participating loggers. The fifth, work referrals, is a more tangible benefit that is cited by a majority.

Table 3-3. Lowest Ranked Benefits - Loggers

Benefit	Score (0 to 100)
Discounts on equipment or financing	8
Premium for wood I deliver	13
Preference from mills – **better jobs**	16
Preference on state/county lands	17
Preference from **mills** during **quotas** / yards full	25
Recruit / retain **employees**	26

A score of 25 or less means that only a small minority agree that the benefit has been true in their experience. In the logger list, we see that most do not agree that they have experienced either a premium or a preference (from mills or public land managers) as a result of their ML status.

Table 3-4. Middle Ranked Benefits - Loggers

Benefit	Score (0 to 100)
Preference from **small private** landowners	40
Preference from **FSC** mills	38
Public perception of logging as a profession	36
Discounts on **insurance**	29

At the top of the middle range are two important, tangible benefits: preference from small private landowners and from mills that seek to maximize FSC-certified wood. Discounts on insurance were, in many cases, not explicitly linked to ML status, but came as a result of other activities, accreditations, or memberships. Although some loggers agree that ML is raising the public perception of logging as a profession, most do not.

OTHER STAKEHOLDERS

Table 3-5. Ranking of Benefits by Mills

Benefit	Score (0 to 100)
More consistent application of **BMPs**	**59**
Overall **higher quality** job	**47**
Good **business practices**	**44**
Hotline for reporting issues	**44**
Credit for **FSC** wood	**44**
Less monitoring required	**38**
Public perception of logging as a profession	**34**

Mills that saw some value in MLC (n=16) had a list of eight possible benefits to respond to. Scores for the seven benefits that were asked of all states are shown in Table 3-5. The most striking characteristic of the responses is the lack of spread. Only ”consistent BMPs” rises above a generally low level of agreement among the mill respondents regarding specific benefits. Mills had the lowest view of the value of the program as a whole, and, apparently, even those mills that admit the program has value don't endorse particular values with much vigor.

Table 3-6. Ranking of Benefits by Large Landowners

Benefit	Score (0 to 100)
More consistent application of **BMPs**	**67**
Less damage from logging operations	**52**
Overall **higher quality** job	**50**
Hotline for reporting issues	26
Less monitoring required	26
Public perception of logging as a profession	21
Credit for FSC wood	19

For large landowners who saw value in the program (n=21), "consistent BMPs" stood out has having very high agreement. "Less damage" and "higher quality" were also in positive territory, while the rest of the benefits were quite low. These landowners see the benefit of the program as improved on-the-ground performance.

Table 3-7. Ranking of Benefits by Consultants

Benefit	Score (0 to 100)
More consistent application of **BMPs**	**58**
Overall **higher quality** job	**57**
Less damage from logging operations	**54**
Hotline for reporting issues	47
Credit for FSC wood	41
Less monitoring required	37
Public perception of logging as a profession	33

As with large landowners, consultants as a group agreed that they have benefitted from enhanced job quality and environmental care by MLs. The degree of agreement with the other benefits, although less than overall positive, was higher than for large landowners.

Table 3-8. Ranking of Benefits by Small Landowners

Benefit	Score (0 to 100)
Overall **higher quality** job	**65**
More consistent application of BMPs	**62**
Less damage from logging operations	**62**
Credit for FSC wood	40
Hotline for reporting issues	31
Less monitoring required	27
Public perception of logging as a profession	27

Like large landowners and consultants, small landowners (n=26) agreed most strongly that environmental performance and job quality were benefits they had experienced.

In summary, loggers consistently agreed that the "soft" gains in pride, recognition, and professionalism were the most pronounced benefits they have seen from participation in

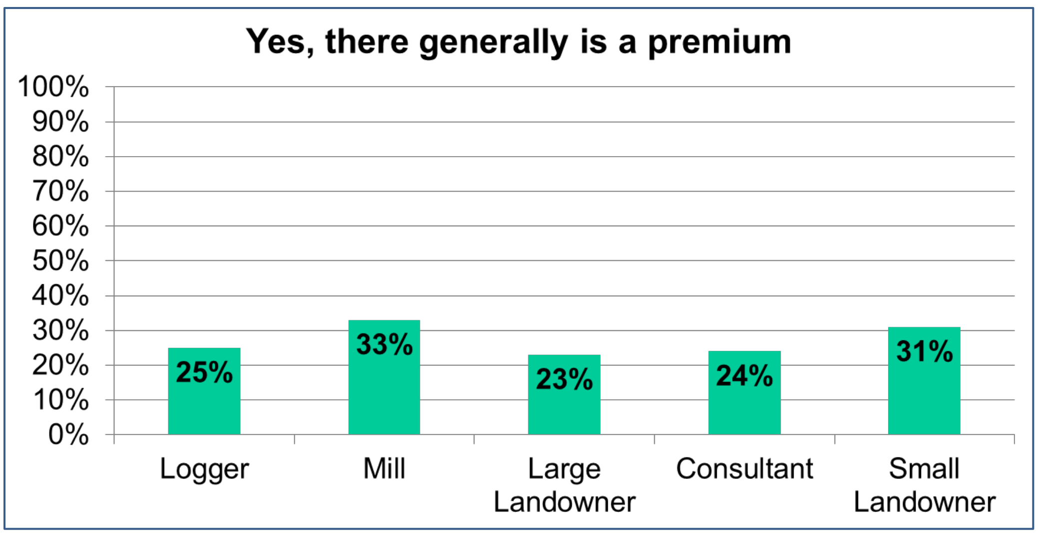
MLC. They also saw modest increases in opportunity. Only a small minority agreed that preferences from mills or large landowners had ensued, or premiums for their delivered products.

On the receiving end of logger services, landowners (large and small) and consultants clearly identified job quality and environmental performance as the top benefits from MLC. Mills saw the same thing, but to a lesser degree, and more narrowly focused on BMP compliance.

4. PREMIUMS AND PREFERENCES

Because of the potential importance of premiums related to MLC, we asked all participants if, in their view, there is generally a premium associated with Certified Master Loggers as compared to those who are not certified.

Figure 4-1. Percentage Responding that there is Generally a Premium for MLC



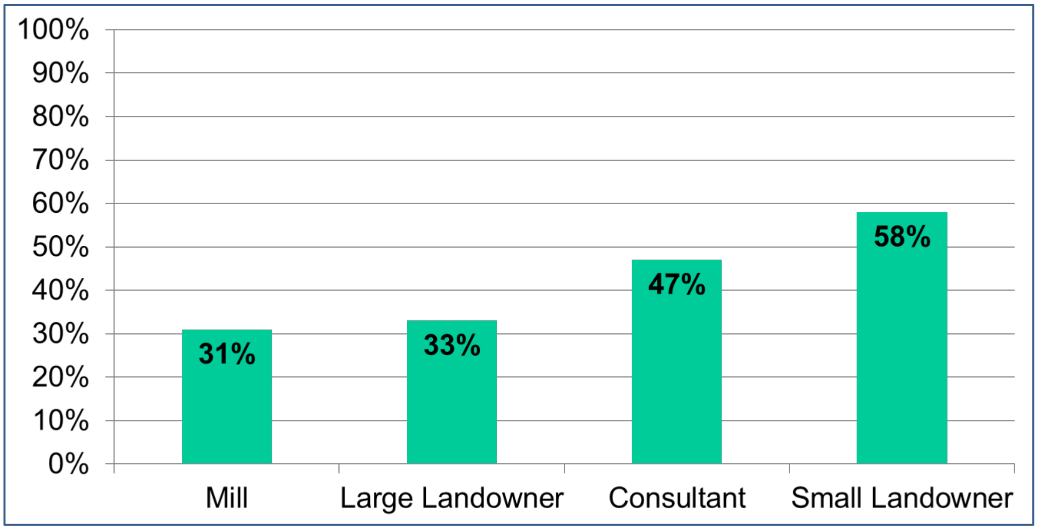
The response was very consistent. About one in four respondents said there generally was a premium, three in four said no (some with considerable emphasis). We did not drill further into the perceptions of those who said yes. In retrospect, this would have been interesting to pursue. For most interviews, the "yes" response implied that you generally have to pay more to get a better quality operation, rather than having an explicit MLC premium in mind.

For stakeholders other than loggers, we sought to determine if their organizations had implemented or used any degree of preference for Master Loggers. Respondents chose from three policies:

1. We work *exclusively* with Master Loggers
2. We *prefer* Master Loggers, but will work with any logger that meets our standards.
3. We *do not have a preference* based on Master Logger status. We make the decision based on our knowledge of each loggers performance

As expected, no stakeholder yet has an exclusive preference. The key distinction is between those who express a degree of non-exclusive preference vs. those who say MLC does not play a role.

Figure 4-2. Percentage Responding that they have a Preference for Certified Loggers



The degree of preference for a certified person or firm is a significant indicator of professional certification program success. Roughly half of the small landowners and consultants who are aware of MLC have developed a preference in their favor. In contrast, only a third of mills and large landowners admit to such a preference.

5. REASONS FOR "NO SIGNIFICANT EFFECT"

Respondents (52 of 211 aware) who saw "no significant positive effect" were not asked the series of questions designed to rank the specific benefits of the MLC program. Instead, they were asked to explain why they thought the program was not (yet) adding significant value in their state.

In their responses, we found the single most frequent reason was that the program was *too small and not widely enough know*n to have a significant impact. A sample of paraphrased responses follows.

> *Good idea, but there are so few MLs in our area that it hasn't had an impact.*
>
> *No loggers in the southern half of the state have even heard of the program.*
>
> *It hasn't drawn a lot of interest. There are only a few Master Loggers.*
>
> *There are only 30, so it hasn't had a significant effect statewide.*
>
> *Not 1 in 100 small landowners even knows about MLC.*

> *Because there's no financial benefit, not many loggers are involved*
>
> *I don't even know which of the loggers we use are MLs or not.*

Two other reasons were cited at about the same frequency, at about two-thirds the level of the most often cited. These were "*no difference in actual performance"* and "*some benefit, but not worth the cost".*

Respondents who cited no difference in actual performance are represented by the following paraphrased examples.

> *There's a wide range of what you see from MLs, the standards are loose; the audits have weak points.*
>
> *Some loggers give ML a bad name.*
>
> *They try to include everybody, which is watering down the quality.*
>
> *It was an opportunity, but because of program stress they let everybody in.*
>
> *Had a bad experience with a large ML, and they are still an ML.*
>
> *Some poor quality operators became MLs. We were not seeing the difference.*
>
> *I haven't seen any difference between certified and non-certified.*

The final reason has to do with marginal cost and marginal benefit. In this category are a number of respondents who held that training programs had been effective and adequate, nothing further is needed in their view.

> *Training has had a huge impact. ML is another layer – expensive, cumbersome, but you don't get paid more.*
>
> *Training has had a broad, positive impact, but ML is a lot of extra work with really no benefit.*
>
> *Concept is good, but loggers are already trained (with good results) – the next step is not needed.*
>
> *ML deals with the same information that mills already check on.*
>
> *It doesn't buy me anything. Customers want FSC, SFI, PEFC – ML does not meet those.*
>
> *A couple of extra days does not produce extra value.*

6. DISTINCTIVE CHARACTERISTICS OF EACH STATE

WISCONSIN

Wisconsin had the overall highest stakeholder perceptions. Wisconsin was:

- The only state where the mills were entirely positive (composite 1.29).
- The only state where the consultants were entirely positive (composite 1.25).
- The state where the loggers were the least negative (6%).
- The state where large landowners were the least negative of any program (13%).

At the time of our survey, Wisconsin had 60 Master Loggers, second only to Maine, but a higher percentage when compared to the total logging workforce in each state. Wisconsin had the highest market penetration.

Other distinguishing characteristics of the Wisconsin program include:

- FSC credits were cited as a significant benefit (index score > 50) by mills and loggers.
- Master Loggers under $5 million per year gross revenue are covered under a blanket FSC Chain-of-Custody Certificate.

MAINE/TCNEF

In Maine, loggers had the highest positive view of the program (composite 1.27). At the same time, mills had the second-most negative view (50%). As of the date of our survey, there were over 90 Master Loggers in Maine and New Hampshire. We did not extend the survey to Vermont, Massachusetts, New York, and the other states covered by TCNEF.

Other distinguishing characteristics of the Maine/TCNEF program include:

- The training program in Maine uses the term “Certified” (Certified Logging Professional, or CLP), perhaps leading to some confusion.
- The CLP and MLC programs are managed by completely separate entities.
- The SFI-sanctioned training program (CLP) in Maine is *not an explicit requirement* for Master Logger Certification.
- As a result, Master Logger in Maine is often seen as an *alternative* to the training, rather than *in addition to.* This has led to a *perception of competition* between the training program and the MLC program. As the two programs seek recognition and benefits from state insurance boards, the SFI committee, and other entities, they have sometimes appeared to be in conflict.
- Master Loggers in Maine have an explicit exemption from the prohibitions in the state’s “liquidation harvesting” law which took effect in 2005.

- While TCNEF Master Loggers also have a blanket FSC Chain-of-Custody Certificate, it applies only to firms that gross $1 million or less per year. The Certificate was not seen as valuable to the stakeholders because the FSC presence is quite small in Maine and New Hampshire.

MICHIGAN

With respect to stakeholder perceptions, Michigan is in the middle of the pack – the perceptions there were in line with the average of all states.

Other distinguishing characteristics of the Michigan program include:

- In 2017, there were 25 Master Loggers. By the time of our survey in the summer of 2018, the number had risen to 46.
- The new certifications were occurring largely in response to the announced policy of the Arauco board plant under construction at Grayling, MI.
- Arauco had announced a modest premium to be paid to MLs. We were unable to confirm the amount.
- They also announced that they would take wood from MLs first whenever purchases were constrained by large inventories.

MINNESOTA

Overall, Minnesota had the highest levels of negative perceptions of the program:

- Mills had the most negative view (80%).
- Loggers had the highest negatives of any state (38%).
- Large landowners had the most negative view (50%).

At the time of our survey, there were 29 Master Loggers in Minnesota. The program was originally spurred on when a local pulp mill sought ML-delivered wood in response to the desires of their customer, Time, Inc. for certified wood content. The pulp mill helped to fund the Master Logger program and implemented specific preferences for Master Loggers. Since Time, Inc. is no longer a factor in the pulp mill's operations, support for the Master Logger program has waned. Somewhat in contrast, the logger training program, MLEP, managed by the same organization which runs Master Logger, continues a high rate of participation.

MISSOURI

Compared to our other states, there are relatively few large landowners or large mills in Missouri. We were unable to find a source for small landowner contacts. As a result, most of our respondents were Master Loggers.

Missouri Master Loggers' perceptions were in line with the average of all programs. At the time, there were 22 firms certified, making it the smallest of the programs.

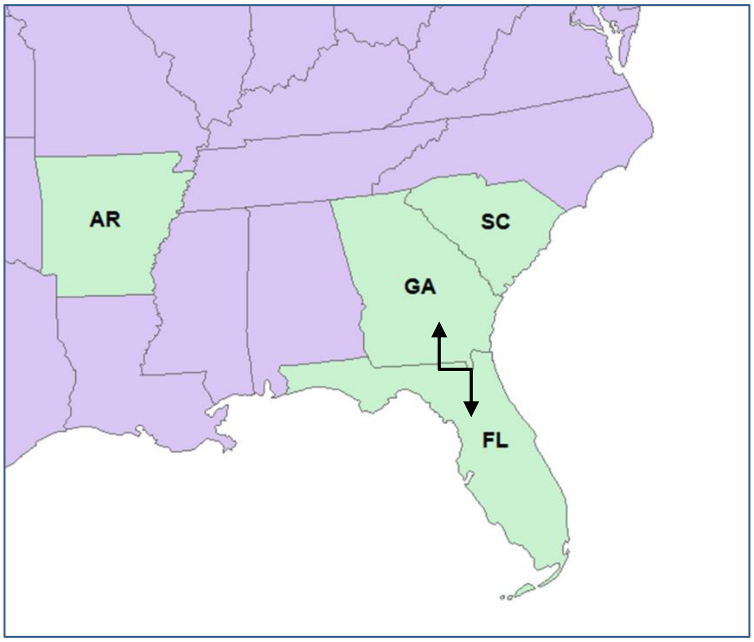
Missouri is unique in that Master Loggers are granted a specific preference when bidding on timber from state lands. A Master Logger can bid as much as 17% less than a non-certified firm and still be awarded the job due to points assigned to ML status.

The coordinator of the Missouri Master Logger program has a public relations background, which is apparent in his very effective promotion in local media whenever a new Master Logger Certificate is granted.

Missouri was the only state where we heard mention of "surprise audits" as a means of assuring quality among Certificate holders.

7. STATES WITH INACTIVE PROGRAMS

Figure 7-1. States with Approved Templates, but no Active Program



Three ALC-affiliated logger associations covering four states have approved Master Logger program templates, but have not yet implemented the program. Georgia and Florida have combined to form one organization known as the Southeastern Wood Producers.

We interviewed the executive directors of the three organizations to determine the history, the factors preventing implementation, and any forces that are promoting the startup of certification.

The templates were prepared and approved about 10 years ago, not long after ALC released the generic template or guide. When asked why the templates were created but not implemented, the directors explained that their members wanted to have a program ready, "on the shelf", to be pulled out and started promptly in the event that any onerous new regulations or requirements were proposed by other parties. They wanted to be prepared to adopt a set of requirements and procedures of their own design, under their control, and thus prevent the imposition of criteria or standards developed by others whose understanding of their business might not be as complete. This sentiment may have it roots in events in the 1990's at the start of SFI-required logger training, when many loggers felt taken by surprise as new demands were placed on them without what they viewed as adequate consultation.

Asked why the MLC program has not been implemented in the years since the template was approved, the directors consistently mentioned two factors. The first is resistance from loggers who have expressed sentiments like the following:

- *We can't take on more costs without compensation, as margins are too thin.*
- *Certification programs are complex and costly.*
- *We are already "covered up" with training requirements.*
- *We already have very high and rising BMP compliance levels, there is no need for another program.*

To illustrate the fourth bullet point, the Arkansas director said that the state has recently documented a 93% BMP compliance rate, which is still rising.

The second major factor acting against MLC implementation in these states is lack of interest or support from mills. One director conducted an extensive series of in-person interviews with procurement managers on this subject, and found that none said they would be able to provide a tangible benefit or preference for certified logging firms. A second director raises the subject periodically with the state SFI Implementation Committee and finds a similar lack of interest.

It may be just a coincidence and not a factor preventing MLC implementation, but in these states there is overlap between the term "Master Logger Certification" and the names of the legacy training programs. In Georgia, the training is called "Master Timber Harvester", while in Florida and Louisiana the training is simply called "Master Logger".

Finally, we asked the directors what forces, if any, were serving to *promote* implementation of MLC in their states. Only one was able to cite such a factor: a "champion" or promoter of the MLC concept had arisen from among their members. The promoter, a prominent, politically active member, advocated the position that there is a "niche" market for Certified Master Loggers among certain small, private landowners, and that such loggers would gain a competitive advantage by being able to buy stumpage in those markets more readily.

It is interesting to note that this research project independently confirmed (in states with active programs) both the lack of interest from mills and the modest but real "niche" among small private landowners for Certified loggers.

8. SUMMARY AND CONCLUSIONS

OBSERVED PRIMARY BENEFITS

This project sought to test the MLC value proposition, and specifically to identify and describe any actual benefits that have resulted. By measuring the perceptions of a relatively large number of stakeholders, we were able to identify the three most significant benefits that MLCs programs have generated.

First is the genuine pride, sense of recognition, sense of professionalism and professional standing of the participating Master Loggers. A high percentage of participating loggers agree that these changes in self-perception and perception in the community are real and valuable to their operations and to the industry they are part of. Most report that they had always worked to be the best at what they do, but welcomed (at long last) the recognition they felt was deserved, and, significantly, also welcomed the opportunity to continue to improve in many areas including safety, environmental, and business management.

Second is the documented perception among other stakeholders that, in their experience, Master Loggers do in fact apply BMPs more consistently and provide an overall higher quality job. To be more precise, among those stakeholders who see Master Logger Certification as at least somewhat valuable in their states, they identify the improved job quality and environmental care as the key benefit derived.

Third, we detected a real, if nascent preference for the services of Certified Master Loggers by small landowners who have become aware of the program and by the consultants who assist these landowners. This preference creates value for the landowners in peace of mind and assurance that they are getting the best available stewardship of their lands, and for Master Loggers by referrals and increased opportunities.

The top three benefits can be summarized with alliteration as *pride, performance, and preference*. They are the hallmarks of a successful certification program. While they are not true everywhere the program has been implemented and among every stakeholder, we were able to document that there is a definite beachhead established in most of the states.

ADDITIONAL BENEFITS

In addition to the three major benefits, we identified the following positive characteristics of the current programs:

- There is a very high level of awareness of the MLC programs by industry participants in the program states.
- A rapid, strong response in MLC program growth occurs whenever an explicit preference or premium is offered. Examples include Time, Inc. in Minnesota some years ago, Arauco in Michigan today, Missouri Department of Conservation, and some aspects of FSC in Wisconsin.

- Master Loggers often report getting more referrals from private landowners.
- Wisconsin serves as an example that it is possible to achieve consistently higher value perception among stakeholders.

CHALLENGES TO INCREASED VALUE

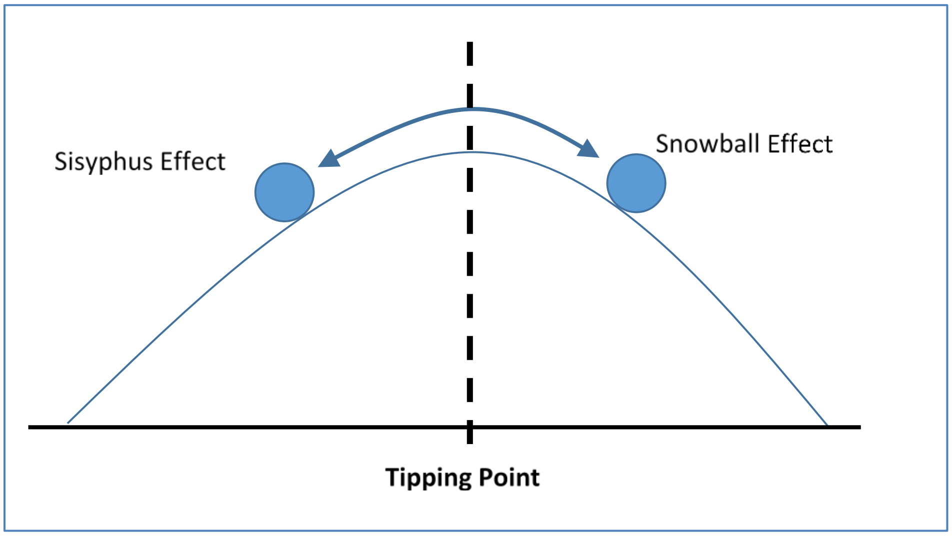
We identified a number of factors that tend to hold back the value of actual benefits realized from MLC:

- The small size of the program in some states. When the footprint is too small, the program does not influence the mindset of stakeholders.
- Lack of awareness by small private landowners. Apart from the small minority who have an interest in forest management and join associations, most landowners have no knowledge of Master Loggers.
- Lack of preference from mills. Explicit preferences from mills are rare. As a result, there is little "pull" from this direction for MLC program growth.
- Lack of "bankable" benefits to loggers. Measurable financial benefits for ML status are rare.
- High risk from single bad actors. A single incident in which a stakeholder is disappointed with the performance of a particular Master Logger can, if not resolved to everyone's satisfaction, color the stakeholder's opinion of the program in a lasting manner.
- Lack of end-product "pull". With rare exceptions, the customers of primary forest products companies have not acted to require Master Logger content in the wood supply. MLC is a late-comer, as the three major certification programs (SFI, FSC, and PEFC) have strong market positions.
- Role of audits not widely recognized. We were somewhat surprised to see that a majority of stakeholders did not identify audits as an important, distinctive characteristic of MLC programs.

CONCLUSIONS AND RECOMMENDATIONS

In order to express our conclusion regarding the state of Master Logger Certification programs and their actual benefits, we will use the concept of a "tipping point".

Figure 8-1. Illustration of the Tipping Point Concept



In the tipping point paradigm, an innovation first faces resistance that requires repeated hard effort, as when the mythical Sisyphus was condemned to an eternity of rolling a heavy stone uphill and then watching it roll down again. However, with successful innovations driven by determined effort, the day does come when success begins to build on itself and gain momentum, like a snowball rolling downhill. If subsequent "hills" are encountered in the life cycle, they will be entered with a "head of speed".

After months of effort and interviews with hundreds of stakeholders, we believe that MLC is, overall, *close to but still to the left of* the tipping point of value creation. Only in Wisconsin, where the program has scale and stakeholder perceptions are solidly positive, does the evidence support a conclusion of self-sustaining value. Elsewhere, additional effort will be required to reach the tipping point.

Although not explicitly part of our charge, we feel it is appropriate to offer suggestions for the types of effort needed to advance the programs and the value they produce. From the perspective of program managers, the key goals should be (1) scale, (2) distinctive, consistent quality, and (3) effective promotion. Efforts should be directed at getting bigger, better, and more widely known. Done well, these efforts can be expected to bring about preference and trust from stakeholders, which will result in improved opportunities for Master Loggers.

Aside from these continued efforts on the part of the MLC program managers and participants, more value could be unlocked if a degree of mutual buy-in could be achieved with mills, which our research has confirmed are lagging in support for the concept. In general, the mills do not yet see any advantage to themselves. It may require new approaches to find areas of *mutual* advantage. One possibility is working together to unlock more stumpage from small private landowners. Another might be the concept of asserting "certified wood" status in some manner to mill customers for wood harvested by Certified Master Loggers.

9. APPENDIX I – INTERVIEW GUIDES

FULL INTERVIEW GUIDE - MILLS

A copy of the Google Forms interview guide begins on the next page.

Mill Full Interview Guide

* Required

1. **Your Name and Affiliation** *

Greeting

Sewall is conducting a nationwide study on the topic of Master Logger Certification for the Wood Supply Research Institute. Individual responses will be treated as confidential and only reported together with many others.

2. **We understand that your firm buys logs or pulpwood. Can you briefly describe your role in selecting tracts of timber and/or contracting with loggers to harvest and deliver products?** *

3. **About how often are you involved in setting up new agreements?** *

4. **Have you heard of the Master Logger Certification program?** *

   Mark only one oval.

   - Yes
   - No *Skip to "Not Aware."*

Is Aware of MLC

5. **Do you know of any loggers that are Certified Master Loggers, or how to find one?** *

   Mark only one oval.

   - Yes
   - No

6. **Are you aware of logger training programs in your state? Can you briefly mention what those are?** *

7. **In your view, what is the difference between logger training and Master Logger Certification?** *

8. **In your view, how has the Master Logger Program affected the overall timber industry in your state?** *

Mark only one oval.

- Very beneficial
- Somewhat beneficial
- No effect *Skip to question 12.*
- Negative Impact *Skip to question 11.*

Very beneficial or somewhat

9. **Before we mention a few potential benefits, could you summarize why you feel that the Certified Master Logger program has been valuable?**

10. **For each potential benefit, indicate your experience** *

Mark only one oval per row.

	Strongly agree	Agree	Disagree
I can expect and generally get an overall higher quality product and service when I use CML			
I can be more confident that Best Management Practices and other environmental protections will be applied consistently			
I save personnel time because we don't need to monitor the job as closely			
I can be more assured that Certified Master Loggers will maintain good business practices with respect to contracts, insurance, safety, and other financial			
I know that if there is ever a problem that is not corrected to my satisfaction, I can call the Master Logger phone number and get the issue resolved.			
I have seen a real improvement in the public perception of timber harvesting due to the Master Logger program, which benefits the entire industry			
In some situations I benefit from working with Certified Master Loggers by getting full credit for FSC wood.			
I recognize and appreciate that MLC includes point-of-harvest based performance standards rather than training alone.			

Skip to question 13.

Negative Impact

11. **What are some of the negative impacts that Certification has had on your state?**

Skip to question 17.

No Significant Effect

12. **Why do you feel that the Certification program has had no significant positive impact?**

Skip to question 17.

Aware and positive

13. **Which statement best fits your mills policy of preference for CMLs** *

Mark only one oval.

- We work exclusively with CMLs
- We prefer CMLs, but will work with any logger that meets our standards
- We do not have a preference based on Master Logger status. We make the decision based on our knowledge of each logger's performance

14. **Notes to clarify the preference question?**

15. **To what extent do you agree with this statement: you generally have to pay a little more to get a CML** *

Mark only one oval.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

16. **Notes to clarify the "pay a little more" question?**

Suggestions for Improvement

Thank you for your time. You are welcome to check wsri.org this fall to see the study results.

Stop filling out this form.

Not Aware

Since you are unfamiliar with the Certified Master Logger program, this completes the interview.

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Google Forms

LOGGER BENEFIT STATEMENTS

1. I receive a premium from some mills for wood I deliver.
2. I get preferential treatment from mills when their woodyards are nearly full and markets are tight.
3. I get preferential treatment from mills by getting the better jobs in terms of wood quality and location.
4. I get preferential treatment from some mills because they want FSC-Certified wood.
5. I receive discounts on insurance.
6. I receive discounts on equipment purchases or financing.
7. I get preferential treatment when bidding on sales by state or local government.
8. I get preferential treatment when bidding on some private landowner sales.
9. I get work referred to me that I would not hear about otherwise. As a result, I don't have to spend as much effort looking for or bidding on jobs.
10. I've always done quality, professional work, but the MLC means that my business now gets recognition for being among the best.
11. I have seen a real change in the perception of logging as a profession due to the Master Logger program.
12. The audits and other involvement with MLC provide an opportunity to work on continually improving my operation.
13. I (and other loggers) have a say in setting the standards for our profession, which is better than other groups telling us what we need to do.
14. Being certified gives me and my crew a sense of pride and accomplishment which helps shape work attitudes.
15. Being certified has helped me recruit and retain employees.
16. My customers understand that MLC includes point-of-harvest based performance standards rather than training alone[2].

LANDOWNER BENEFIT STATEMENTS

1. I can be more sure of getting a quality job when I use a Certified logger.
2. I can be more sure that my land will not be damaged by bad logging practices when I use a Certified logger.
3. I can be more confident that Best Management Practices will be applied consistently.
4. I save time because I don't need to monitor the job as closely.

[2] Added after the Wisconsin survey.

5. I know that if there is ever a problem that is not corrected to my satisfaction, I can call the Master Logger phone number and get the issue resolved.
6. By using a CML, I know that I will get full credit for FSC certified wood at some mills that prefer it.
7. I have seen a real improvement in the public perception of timber harvesting due to the Master Logger program
8. I recognize and appreciate that MLC includes point-of-harvest based performance standards rather than training alone[3].

CONSULTANT BENEFIT STATEMENTS

1. I can be more sure of getting a quality job when I use a Certified logger.
2. I can be more sure that my client's land will not be damaged by bad logging practices when I use a Certified logger.
3. I can be more confident that Best Management Practices will be applied consistently.
4. I save time because I don't need to monitor the job as closely.
5. I know that if there is ever a problem that is not corrected to my satisfaction, I can call the Master Logger phone number and get the issue resolved.
6. By using a CML, I know that I will get full credit for FSC certified wood at some mills that prefer it.
7. I have seen a real improvement in the public perception of timber harvesting due to the Master Logger program.
8. I recognize and appreciate that MLC includes point-of-harvest based performance standards rather than training alone.

[3] Added after the Wisconsin survey.

10. APPENDIX II – RESPONSE ANALYSIS SUMMARIES

LOGGER

	Maine		Michigan		Minnesota		Missouri		Wisconsin		All States	
Number w/overall responses	22		15		8		8		17		70	
	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Aware of training	22	100%	12	80%	8	100%	8	100%	17	100%	67	96%
Aware ML higher standard	18	82%	10	67%	6	75%	7	88%	14	82%	55	79%
Cites ML audits as distinctive	5	23%	2	13%	6	75%	4	50%	9	53%	26	37%
overall very ben (2)	9	41%	1	7%	1	13%	3	38%	3	18%	17	24%
overall somewhat ben (1)	10	45%	11	73%	4	50%	3	38%	13	76%	41	59%
overall no effect (0)	3	14%	3	20%	3	38%	2	25%	1	6%	12	17%
overall negative (-1)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
composite overall score	**1.27**		**0.87**		**0.75**		**1.13**		**1.12**		**1.07**	
Number w/detail responses	19		12		5		6		16		58	
Benefit	score	avg	score	avg	score	avg	score	avg	score	avg	score	avg
Premium for wood	2	0.05	4	0.17	0	-	1	0.08	8	0.25	15	0.13
Preference during quota	9	0.24	7	0.29	0	-	1	0.08	12	0.38	29	0.25
Preference better jobs	9	0.24	3	0.13	1	0.10	0	-	5	0.16	18	0.16
Preference due to FSC	16	0.42	9	0.38	3	0.30	0	-	16	0.50	44	0.38
Insurance discount	23	0.61	4	0.17	0	-	3	0.25	4	0.13	34	0.29
Equipment/finance discount	7	0.18	0	-	0	-	1	0.08	1	0.03	9	0.08
Preference state/local govt	9	0.24	0	-	0	-	5	0.42	6	0.19	20	0.17
Preference small private lands	15	0.39	7	0.29	3	0.30	5	0.42	16	0.50	46	0.40
Work referred to me	24	0.63	8	0.33	2	0.20	7	0.58	18	0.56	59	0.51
Recognition for being best	33	0.87	11	0.46	5	0.50	8	0.67	27	0.84	84	0.72
Perception of logging as profession	17	0.45	6	0.25	2	0.20	4	0.33	13	0.41	42	0.36
Opportunity to continually improve	24	0.63	17	0.71	5	0.50	9	0.75	27	0.84	82	0.71
Loggers set own standards	28	0.74	15	0.63	3	0.30	6	0.50	17	0.53	69	0.59
Sense of pride and accomplishment	29	0.76	18	0.75	4	0.40	8	0.67	26	0.81	85	0.73
Recruit and retain employees	12	0.32	4	0.17	0	-	3	0.25	11	0.34	30	0.26
Customers know I will be audited	22	0.58	11	0.46	1	0.10	6	0.50			40	0.48

MILL

	Maine		Michigan		Minnesota		Missouri		Wisconsin		All States	
Number w/overall responses	8		5		5		1		7		26	
	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Heard of ML program	8	100%	5	100%	5	100%	1	100%	7	100%	26	100%
Know one ML or how to find	8	100%	5	100%	5	100%	1	100%	7	100%	26	100%
Aware of training	7	88%	5	100%	5	100%	1	100%	7	100%	25	96%
Aware ML higher standard	6	75%	5	100%	5	100%	1	100%	6	86%	23	88%
Cites ML audits as distinctive	4	50%	3	60%	4	80%	1	100%	4	57%	16	62%
overall very ben (2)	1	13%	1	20%	0	0%	0	0%	2	29%	4	15%
overall somewhat ben (1)	3	38%	3	60%	1	20%	0	0%	5	71%	12	46%
overall no effect (0)	4	50%	1	20%	4	80%	1	100%	0	0%	10	38%
overall negative (-1)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
composite overall score	**0.63**		**1.00**		**0.20**		**0.00**		**1.29**		**0.77**	
Number w/detail responses	4		4		1		0		7		16	
Benefit	score	avg	score	avg	score	avg	score	avg	score	avg	score	avg
Higher quality service	4	0.50	4	0.50	0	-			7	0.50	15	0.47
Consistent BMPs	5	0.63	3	0.38	0	-			11	0.79	19	0.59
Less Monitoring	1	0.13	3	0.38	0	-			8	0.57	12	0.38
Good business practices	4	0.50	3	0.38	0	-			7	0.50	14	0.44
Hotline	4	0.50	4	0.50	0	-			6	0.43	14	0.44
Public perception	2	0.25	1	0.13	0	-			8	0.57	11	0.34
FSC credit	2	0.25	3	0.38	0	-			9	0.64	14	0.44
Audited performance	4	0.50	4	0.50	0	-					8	0.44
Preference	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Only	0	0%	0	0%	0	0%			0	0%	0	0%
Prefer, but any qualified	3	75%	1	25%	0	0%			1	14%	5	31%
No preference	1	25%	3	75%	1	100%			6	86%	11	69%
Premium	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Strongly Agree	1	25%	0	0%	0	0%					1	11%
Agree	0	0%	2	50%	0	0%					2	22%
Disagree	3	75%	1	25%	1	100%					5	56%
Strongly Disagree	0	0%	1	25%	0	0%					1	11%

LARGE LANDOWNER

	Maine		Michigan		Minnesota		Wisconsin		All States	
Number w/overall responses	8		8		4		9		29	
	count	pct	count	pct	count	pct	count	pct	count	pct
Heard of ML program	8	100%	8	100%	4	100%	8	89%	28	97%
Know one ML or how to find	8	100%	8	100%	3	75%	7	88%	26	93%
Aware of training	8	100%	8	100%	4	100%	7	88%	27	96%
Aware ML higher standard	4	50%	8	100%	4	100%	6	75%	22	79%
Cites ML audits as distinctive	0	0%	6	75%	3	75%	2	25%	11	39%
overall very ben (2)	3	38%	1	13%	0	0%	0	0%	4	14%
overall somewhat ben (1)	3	38%	5	63%	2	50%	7	88%	17	61%
overall no effect (0)	2	25%	2	25%	2	50%	1	13%	7	25%
overall negative (-1)	0	0%	0	0%	0	0%	0	0%	0	0%
composite overall score	**1.13**		**0.88**		**0.50**		**0.88**		**0.89**	
Number w/detail responses	6		6		2		7		21	
Benefit	score	avg	score	avg	score	avg	score	avg	score	avg
Higher quality service	6	0.50	9	0.75	1	0.25	5	0.36	21	0.50
Not damaged bad logging	5	0.42	9	0.75	2	0.50	6	0.43	22	0.52
Consistent BMPs	7	0.58	10	0.83	3	0.75	8	0.57	28	0.67
Less monitoring time	2	0.17	3	0.25	1	0.25	5	0.36	11	0.26
Hotline	4	0.33	1	0.08	1	0.25	5	0.36	11	0.26
FSC credit	4	0.33	1	0.08	1	0.25	2	0.14	8	0.19
Public perception harvesting	4	0.33	1	0.08	2	0.50	2	0.14	9	0.21
Audited performance	6	0.50	9	0.75	3	0.75		-	18	0.43
Preference	count	pct	count	pct	count	pct	count	pct	count	pct
Only	0	0%	0	0%	0	0%	0	0%	0	0%
Prefer, but any qualified	3	50%	3	50%	1	50%	0	0%	7	33%
No preference	3	50%	3	50%	1	50%	7	100%	14	67%
Premium	count	pct	count	pct	count	pct	count	pct	count	pct
Strongly Agree	1	17%	0	0%	0	0%	0	0%	1	5%
Agree	2	33%	1	17%	1	50%	0	0%	4	19%
Disagree	3	50%	5	83%	0	0%	7	100%	15	71%
Strongly Disagree	0	0%	0	0%	1	50%	0	0%	1	5%

CONSULTANT

	Maine		Michigan		Minnesota		Missouri		Wisconsin		All States	
Number w/overall responses	21		12		13		3		4		53	
	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Heard of ML program	21	100%	11	92%	13	100%	3	100%	4	100%	52	98%
Know one ML or how to find	21	100%	11	100%	13	100%	3	100%	4	100%	52	98%
Aware of training	21	100%	9	82%	13	100%	3	100%	3	75%	49	92%
Aware ML higher standard	16	76%	7	64%	11	85%	2	67%	2	50%	38	72%
Cites ML audits as distinctive	4	19%	5	45%	3	23%	1	33%	1	25%	14	26%
overall very ben (2)	6	29%	0	0%	4	31%	0	0%	1	25%	11	21%
overall somewhat ben (1)	8	38%	7	64%	7	54%	2	67%	3	75%	27	51%
overall no effect (0)	7	33%	4	36%	1	8%	1	33%	0	0%	13	25%
overall negative (-1)	0	0%	0	0%	1	8%	0	0%	0	0%	1	2%
composite overall score	**0.95**		**0.64**		**1.08**		**0.67**		**1.25**		**0.92**	
Number w/detail responses	14		7		11		2		4		38	
Benefit	total	avg	total	avg	total	avg	total	avg	total	avg	total	avg
Higher quality job	18	0.64	4	0.29	13	0.59	3	0.75	5	0.63	43	0.57
Lands not damaged bad logging	18	0.64	4	0.29	13	0.59	2	0.50	4	0.50	41	0.54
Consistent BMPs	18	0.64	6	0.43	12	0.55	3	0.75	5	0.63	44	0.58
Less Monitoring	9	0.32	4	0.29	9	0.41	3	0.75	3	0.38	28	0.37
Hotline	15	0.54	6	0.43	8	0.36	3	0.75	4	0.50	36	0.47
FSC credit	11	0.39	8	0.57	7	0.32	0	-	5	0.63	31	0.41
Public perception	9	0.32	2	0.14	9	0.41	1	0.25	4	0.50	25	0.33
Audited performance	18	0.64	7	0.50	11	0.50	4	1.00			40	0.59
Preference	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Only	1	7%	0	0%	0	0%	0	0%	0	0%	1	3%
Prefer, but any qualified	7	50%	1	14%	5	45%	2	100%	2	50%	17	45%
No preference	6	43%	6	86%	6	55%	0	0%	2	50%	20	53%
Premium	count	pct	count	pct	count	pct	count	pct	count	pct	count	pct
Strongly Agree	1	7%	0	0%	0	0%	0	0%			1	3%
Agree	4	29%	2	29%	1	9%	0	0%			7	21%
Disagree	9	64%	3	43%	8	73%	2	100%			22	65%
Strongly Disagree	0	0%	2	29%	2	18%	0	0%			4	12%

SMALL LANDOWNER

	Maine		Michigan		Wisconsin		Just MI and WI		All States	
Number w/overall responses	30		52		13		65		95	
	count	pct	count	pct	count	pct	count	pct	count	pct
Heard of ML program	23	77%	10	19%	2	15%	12	18%	35	37%
Know ML or how to find	16	70%	7	70%	2	100%	9	75%	25	71%
Aware of training	21	91%	6	60%	0	0%	6	50%	27	77%
Aware ML higher standard	19	83%	6	60%	0	0%	6	50%	25	71%
Cites ML audits as distinctive	7	30%	1	10%	0	0%	1	8%	8	23%
overall very ben (2)	6	29%	2	20%	1	50%	3	25%	9	27%
overall somewhat ben (1)	8	38%	6	60%	1	50%	7	58%	15	45%
overall no effect (0)	7	33%	2	20%	0	0%	2	17%	9	27%
overall negative (-1)	0	0%	0	0%	0	0%	0	0%	0	0%
composite overall score	**0.95**		**1.00**		**1.50**		**1.08**		**1.00**	
Number w/detail responses	16		8		2		10		26	
Benefit	score	avg	score	avg	score	avg	score	avg	total	avg
Higher quality job	21	0.66	11	0.69	2	0.50	13	0.65	34	0.65
Not damaged bad logging	18	0.56	12	0.75	2	0.50	14	0.70	32	0.62
Consistent BMPs	19	0.59	11	0.69	2	0.50	13	0.65	32	0.62
Less monitoring	5	0.16	7	0.44	2	0.50	9	0.45	14	0.27
Hotline	9	0.28	7	0.44	0	-	7	0.35	16	0.31
FSC credit	10	0.31	9	0.56	2	0.50	11	0.55	21	0.40
Public perception	6	0.19	7	0.44	1	0.25	8	0.40	14	0.27
Audited performance	18	0.56	11	0.69			11	0.69	29	0.60
Preference	count	pct	count	pct	count	pct	count	pct	count	pct
Only	0	0%	0	0%	0	0%	0	0%	0	0%
Prefer, but any qualified	10	63%	5	63%	0	0%	5	50%	15	58%
No preference	6	38%	3	38%	2	100%	5	50%	11	42%
Premium	count	pct	count	pct	count	pct	count	pct	count	pct
Strongly Agree	1	6%	0	0%	0	0%	0	0%	1	4%
Agree	4	25%	3	38%	0	0%	3	30%	7	27%
Disagree	11	69%	5	63%	2	100%	7	70%	18	69%
Strongly Disagree	0	0%	0	0%	0	0%	0	0%	0	0%