

Michigan Department of Natural Resources

2016 SFI Public Summary Surveillance Audit Report

Introduction

The SFI Program of the Michigan DNR has achieved continuing conformance with the SFI 2015-2019 Standards and Rules[®], Sections 2 and 5 according to the NSF SFIS Certification Audit Process.

NSF initially certified Michigan DNR to the SFIS in 2005 and recertified the organization on November 9, 2010, October 11, 2013 and on October 2, 2015 (out of phase recertification). This report describes the first surveillance audit since the 2015 recertification. This audit was designed to focus on changes in the standard, changes in operations and practices, the management review system, and efforts to resolve past non-conformances and to respond to identified “Opportunities for Improvement”. In addition, a portion of SFI the requirements were selected for detailed review this year.

The Surveillance audit was performed by NSF on August 9-11, 2016 by an audit team headed by Norman Boatwright, SFI Lead Auditor and Paul Pingrey, FSC Lead. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits of Section 9. SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation.

The objective of the audit was to assess conformance of the firm’s SFI Program to the requirements of the SFI 2015-2019 Standards and Rules[®], Sections 2 – Fiber Sourcing and 5 – Label Use.

The scope of the SFIS Audit included land management operations. Forest practices that were the focus of field inspections included those that have been conducted since the previous field audit conducted in October 2015. Practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example). In addition, all of the SFI obligations to promote sustainable forestry practices (to ensure appropriate training of people involved in the forest management program, to seek legal compliance, and to incorporate continual improvement systems) were reexamined during the audit. Use of the SFI logo and the requirement to provide public access to audit reports were also reviewed.

The audit reviewed the central management and field practices at three of the fifteen Forest Management Units (FMUs): Sault Ste. Marie FMU, Pigeon River Country FMU, and Cadillac FMU.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of Michigan DNR’s SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 2.1.3 involving planting exotic species
- Indicator 10.1.2 involving research on genetically engineered trees

None of the indicators were modified; the SFI Standard’s relevant indicators and performance measures were used as published (available on-line at <http://www.sfiprogram.org/>).

Scope

Forest Management Activities on approximately 3.9 million acres of Michigan State Forest. Exclusions: Long-term military lease lands, lands leased to Luce County, and Wildlife Areas that do not go through the compartment review process are not included in the scope of the certificate. The SFI Certificate Number is NSF-SFIS-5Y031.

Note: The certified State Forest system includes all lands which are inventoried under the MiFi forest inventory system, are identified in a State Forest Compartment, and go through the Michigan DNR compartment review process.

Overview of Michigan DNR’s Lands and Sustainable Forestry Programs

The Michigan Department of Natural Resources Forest Resources Division (FRD) and Wildlife Division (WD) co-manage the approximately 4 million acre Michigan State Forest System. The certified State Forest system includes all lands which are inventoried under the Michigan Forest inventory systems, are identified in a State Forest Compartment, and go through the Michigan DNR compartment review process.

The FRD has organized the State Forest system into 15 forest management units which constitute the sampling units for the multi-site audit sampling program employed by NSF, the SFI Certification Body. These units are the basis of the internal audits conducted by Michigan DNR that serve to help drive continuous improvement in the programs.

Excerpts from Michigan DNR documents (updated as necessary with newer information and references) provide the remainder of this overview.

Source: Michigan State Forest Management Plan, April 10, 2008

“A primary management objective for the landscape of northern Michigan during the 20th century was to restore the forest resource that was devastated from over-exploitation in the late 19th century. This restoration has laid the basis for a rich array of opportunities for our forests in the 21st century.

Michigan’s forests are healthy and still growing, with many options for future uses. There are multiple objectives for our forests, including continuing with use and restoration within a framework of long-term sustainability, while also enabling an expanding diversity of uses. This plan is intended to focus on future management and use of one large part of Michigan’s forest resources: the 3.9 million acre state forest system administered by the Michigan Department of Natural Resources (MDNR).

Part 525, Sustainable Forestry on State Forest Lands, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, requires the MDNR to manage the state forest in a manner that is consistent with the principles of sustainable forestry, and to prepare and implement a management plan that states long-term management objectives and the means of achieving these objectives. Components of the management plan include:

1. Identification of the interests of local communities, outdoor recreation interests, the tourism industry, and the forest products industry, which are addressed in Section 3 of the plan.
2. Identification of the annual production capability of the state forest and management goals based on that level of productivity, which are addressed in Sections 3, 4 and 5 of the plan.
3. Methods to promote and encourage the use of the state forest for outdoor recreation, tourism, and the forest products industry, which are addressed in Sections 3, 4 and 5 of the plan.
4. A landscape management plan for the state forest incorporating biodiversity conservation goals, indicators, and measures, which are addressed in Sections 4 and 5 of the plan.
5. Standards for sustainable forestry consistent with section 52502 of Part 525, which are addressed in Sections 4 and 5 of the plan.
6. Identification of environmentally sensitive areas, which is addressed in Sect. 5 of the plan.
7. Identification of the need for forest treatments to maintain and sustain healthy, vigorous forest vegetation and quality habitat for wildlife and environmentally sensitive species, which are addressed in Sections 4 and 5 of the plan.

Part 525 also required the MDNR to seek and maintain third party certification of the management of the state forest that satisfies sustainable forestry standards of at least one credible certification program. Subsequently, the MDNR was certified under the standards of the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI).

FY 2014 state forest harvests were 59,628 acres, producing 993,608 cords. Timber harvest trends differ by species. The current conditions and trends for the state forest as a whole indicate that the annual production capacity for timber harvests will remain similar to what it has been or slightly increased. Harvests have predominantly occurred in five cover types: the aspen association, jack pine, the oak association, red pine, and northern hardwoods. The occurrence of the emerald ash borer, beech bark disease and oak wilt have caused harvest plans to be altered as ash and beech are being removed on harvest sites in infected areas. Special management prescriptions are being used to manage oak wilt.

Volume of production from the northern hardwoods, red pine, and white pine cover types have increased since 1996. In contrast, production from mixed swamp conifers has dropped off sharply beginning in 2001, in part reflecting changes in cover type coding. Thus, the composition of timber sales has changed over time.

Major trends in forest health include increasing numbers of both native and nonnative insects and diseases, cervid herbivory effects on understory composition and regeneration, and the emerging environmental issue of global climate change. Some epidemic nonnative pathogens such as Dutch elm disease, the emerald ash borer, beech bark disease and oak wilt pose threats across the entire landscape of the state. Others are more localized in the range of their effect. The current management strategy is to contain and eradicate newly identified pathogens; however, some agents are now securely entrenched into ecosystems of the state. The effects of cervid herbivory (deer, moose, and elk) upon the composition and structure (particularly regeneration) of herbaceous and shrub strata of forest ecosystems are becoming an increasing concern in certain areas. Global climate change due to global warming has the potential to disrupt the natural composition, function, and health of native ecosystems. It could affect the range of native plant and animal species, and could potentially interact with other forest health threats by causing environmental stressors (such as the incidence and severity of drought) that can in turn trigger outbreaks of insect and disease infestations. All of these pose

increasing threats to the health of the state's forest ecosystems, which may be expressed by potential major ecological changes in the composition of native forest communities and substantial economic effects.

Forest recreation now involves year-round use, as the popularity increases for spring activities such as fishing for migratory steelhead, wild turkey and mushroom hunting, off-road vehicle (ORV) riding and for many winter sports such as snowmobiling, skiing, and ice fishing. This diversified activity provides year-round benefits to many local economies that were previously more seasonal in nature. Wildlife viewing, ORV, and snowmobile riding have grown in the past decade. The use of state forest campgrounds has been relatively stable over the past four years, with most use occurring in the Northern Lower Peninsula ecoregion. "

Status of Current Operations Systems

Michigan's current system of management and operational planning includes a computerized forest inventory that is updated annually for approximately one-tenth of the State Forest area. The Michigan Forest Inventory System (MiFi) is a GIS-based inventory and stand description system that provides tracking of a wide range of resource variables, treatment activities, and conditions. The system also has the functionality to allow staff to make queries to facilitate management decisions.

Likewise, timber sale treatments are proposed and tracked in a computerized system known as the Vegetative Management System (VMS) which is being expanded in scope and improved functionality. The DNR plans to link the MiFi and VMS systems for tracking harvest treatments, as they are proposed, reviewed, and approved in a formal process (with formalized policies, procedures, and approvals) that involves an increasing amount of public involvement at various levels from proposal through treatment completion. These efforts are ongoing at this time.

Status of Planning

The Annual Plan of Work is derived from the 10-year planning cycle for forest compartments. The Annual plan of work is operationally implemented Compartment Review Procedures, as contained in DNR Policy and Procedure 32.22-15 State Forest Inventory and Compartment Review dated August 21, 2015. Annual compartment reviews by year of entry are conducted at the Forest Management Unit level, and the aggregate of all forest prescriptions from compartment reviews are contained in the Annual Plan of Work, which represents the tactical level of planning for State Forest operations.

Approved Regional State Forest Management Plans for the Northern Lower, Eastern Upper, and Western Upper Peninsula ecoregions are being implemented in the current year of entry compartment review process. The MDNR has many other plans that are related to specific program areas, including the Michigan's Wildlife Action Plan, the Michigan Off-Road Vehicle Plan, the Michigan State Comprehensive Outdoor Recreation Plan, Natural River plans, and others.

Policy & Procedures

Formal policies and procedures exist and are documented in policy manuals for MDNR-FRD and Wildlife Division, as well as other Department of Natural Resources policies. The MDNR forest certification internet site has links to MDNR policy and procedure and other information.

Forest Certification Work Instructions

Work instructions are new or updated Department operational procedures initially developed in 2005 that helped close the forest certification gaps at that time and ensured compliance with all indicators in the forest certification standards. All proposed actions identified in the Department's Forest Certification Action Plan are implemented through 20 work instructions.

Work instruction implementation is an important focus of the MDNR's management review system, and is an important focus of MDNR internal audits. The work instructions make forest certification more manageable for Department staff and they are refined as needed in order to maintain conformance with forest certification standards. Current versions of the work instructions can be found on the MDNR forest certification web page.

Surveillance Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team to determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of SFIS Conformance. NSF also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence,

special features, and other criteria outlined in the NSF SFI-SOP. A portion of the field sites were randomly selected. NSF also selected and interviewed stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings for specific SFI requirements included Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceed the Basic Requirements of the SFIS Standard.

Overview of Audit Findings

The SFI Program of the Michigan DNR has achieved continuing conformance with SFI 2015-2019 Standard and Rules®, Sections 2 and 5, according to the NSF SFIS Certification Audit Process. A minor non-conformance was identified:

Minor Non-conformance:

Section 5 CI 3.4 The SFI label identification number must be added under the logo mark.

Finding: The DNR uses the SFI Trademark on its website without the required license code.

Review of 2015 Surveillance Audit Findings and Disposition in 2016 Surveillance Audit

CI 11.1.1 A written statement of commitment to the SFI standard has been communicated to all DNR staff on September 23, 2014.

Finding: The statement didn't specify the 2015-2019 Standard.

Resolution: A review of the Interoffice Communication from the Chief, Forest Resources Division to all Forest Resources and Wildlife Division Staff dated 12/17, 2015 indicates the required language is present.

CI 11.1.5 The pre-harvest planning form has a checkbox used to indicate logger completion of the core training requirements.

Findings: The new SFI Standard has changed this requirement such that annual update training is now required. The MI SIC has defined this requirement to mean that a trained individual must have direct responsibility and must be on-site regularly. It wasn't evident that DNR has incorporated this change in the Work Instruction 7.1 or communicated it to field staff. In addition, the check box for logger training on the pre-harvest planning form was not being used consistently.

Resolution: A review of the Form R4050, Timber Sale Contract – Field Inspection report, revised 3/24/2016 indicates that the Pre-Sale Meeting Section contains a detailed checkbox to verify the Qualified Logging Professional for the timber sale. In addition, a review of the part 7 of the Forest Program Work Instruction document which became effective 6/1/2016 indicates it contains the following instruction: “Record name of the Sustainable Forestry Education (SFE) trained foreman and verification of status as a Qualified Logging Professional (has core training and annual continuing education)”.

The next audit is a surveillance audit, scheduled for the week of October 23, 2017. This will be a review of a portion of the standard covering central office functions and operations at the Baraga, Crystal Falls and Gwinn Forest Management Units.

General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 1. Forest Management Planning - To ensure forest management plans include long-term sustainable harvest levels and measures to avoid forest conversion.

Summary of Evidence – *The 2008 Michigan State Forest Management Plan, Compartment Plans for all compartments visited, the state's Wildlife Division Strategic Plan, many other plans supporting particular species, species groups, issues or sites, the associated inventory data and growth models, and progress on the Regional State Forest Management Plans were sufficient to determine conformance with the requirements of Objective 1.*

Objective 2. Forest Productivity - To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, afforestation, minimized chemical use, soil conservation, and protecting forests from damaging agents.

Summary of Evidence – *Field observations and associated records were used to confirm practices. Michigan Department of Natural Resources has programs for reforestation, for protection against wildfire and against many insects and diseases including Emerald*

Ash Borer, Beech Bark Disease, Gypsy Moth, and for careful management of activities which could potentially impact soil and long-term productivity.

Objective 3. Protection and Maintenance of Water Resources - To protect the water quality of rivers, streams, lakes, wetlands and other water bodies through meeting or exceeding best management practices.

Summary of Evidence – *Field observations of a range of sites were the key evidence. Auditors visited the portions of many field sites that were close to water resources, based on a field sample that was oriented heavily towards such sites.*

Objective 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value - To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote a diversity of types of habitat and successional stages, and the conservation of forest plants and animals, including aquatic species, as well as threatened and endangered species, Forests with Exceptional Conservation Value, old-growth forests and ecologically important sites.

Summary of Evidence – *Field observations, written plans and policies, use of college-trained field biologists, availability of specialists, and regular staff involvement in conferences and workshops that cover scientific advances were the evidence used to assess the requirements involved biodiversity conservation. The close support and cooperation of various agencies, including those responsible for wildlife, fisheries, recreation, and endangered resources, were another key factor in the assessment.*

Objective 5. Management of Visual Quality and Recreational Benefits - To manage the visual impact of forest operations and provide recreational opportunities for the public.

Summary of Evidence – *Field observations of completed operations and policies/procedures for visual quality were assessed during the evaluation. Further maps of recreation sites, combined with field visits, helped confirm a strong recreation program. Recreational use and esthetics were priority concerns where appropriate.*

Objective 6. Protection of Special Sites - To manage lands that are ecologically, geologically, or culturally important in a manner that takes into account their unique qualities.

Summary of Evidence – *Field observations of completed operations, records of special sites, training records, and written protection plans were all assessed during the evaluation. The strong program of Natural Areas contributed to the conclusions.*

Objective 7. Efficient Use of Forest Resources - To minimize waste and ensure the efficient use of fiber resources.

Summary of Evidence – *Field observations of completed operations, contract clauses, harvest inspection reports, and discussions with supervising field foresters and with loggers provided the key evidence. On those sites where harvests had been completed the indicator was being met through reasonable utilization, harvest inspections, and lump-sum sales.*

Objective 8 - Recognize and Respect Indigenous Peoples' Rights - To recognize and respect Indigenous Peoples' rights and traditional knowledge.

Summary of Evidence: *The agency's attempts to solicit input from Indigenous Peoples provided the key evidence*

Objective 9. Legal and Regulatory Compliance - To comply with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence – *Field reviews of ongoing and completed operations were the most critical evidence. Most of the requirements were not edited this year, but the ready availability of BMP manuals and access to laws were factors in finding conformance.*

Objective 10. Forestry Research, Science, and Technology - To invest in forestry research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of climate change impacts on forests, wildlife and biological diversity.

Summary of Evidence – *Financial records were confirmed, and some field research sites were visited.*

Objective 11. Training and Education - To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Summary of Evidence – *Training records of selected personnel, records associated with harvest sites audited, and logger and stakeholder interviews were the key evidence for this objective.*

Objective 12. Community Involvement in the Practice of Sustainable Forestry - To broaden the practice of sustainable forestry through public outreach, education, and involvement, and to support the efforts of SFI Implementation Committees.

Summary of Evidence – *Michigan DNR has an extensive program of outreach and landowner education, including a website and is active in the MI SIC.*

Objective 13: Public Land Management Responsibilities - To participate and implement sustainable forest management on public lands.

Summary of Evidence – Interviews and review of documents were used to confirm the requirements. Interviews with MDNR staff and with stakeholders, as well as review of documents were used to confirm the requirements.

Objective 14. Communications and Public Reporting - To increase transparency and to annually report progress on conformance with the SFI Forest Management Standard.

Summary of Evidence – Reports filed with SFI Inc. and the SFI Inc. website provided the key evidence.

Objective 15. Management Review and Continual Improvement - To promote continual improvement in the practice of sustainable forestry by conducting a management review and monitoring performance.

Summary of Evidence – Records of program reviews, agendas and notes from management review meetings, and interviews with personnel from all involved levels in the organization were assessed. Records of program reviews including formal internal audits, agendas and notes from management review meetings, and interviews with personnel from all involved levels in the organization were assessed to determine strong performance regarding management review. Records of internal audits and management review of these audits were key to developing the audit findings for this objective.

Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain long-term forest and soil productivity. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, invasive exotic plants and animals and other damaging agents and thus maintain and improve long-term forest health and productivity.

3. Protection of Water Resources

To protect water bodies and riparian zones, and to conform with best management practices to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Avoidance of Controversial Sources including Illegal Logging in Offshore Fiber Sourcing

To avoid wood fiber from illegally logged forests when procuring fiber outside of North America, and to avoid sourcing fiber from countries without effective social laws.

9. Legal Compliance

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

10. Research

To support advances in sustainable forest management through forestry research, science and technology.

11. Training and Education

To improve the practice of sustainable forestry through training and education programs.

12. Public Involvement

To broaden the practice of sustainable forestry on public lands through community involvement.

13. Transparency

To broaden the understanding of forest certification to the SFI 2015-2019 Standard by documenting certification audits and making the findings publicly available.

14. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2015-2019 Edition

For Additional Information Contact:

Norman Boatwright
Forestry Program Manager
NSF International
P.O. Box 4021
Florence, SC 29502
843-229-1851
nboatwright12@gmail.com

Keith Kintigh
Forest Certification and Conservation Specialist
Michigan DNR, Forest Resources Division
Gaylord Customer Service Center
1732 W. M-32nd Gaylord, MI 49735
989-619-2296 x5016
kintighk@michigan.gov

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