

Minnesota DNR 2015 Public Summary Audit Report

The SFI Program of Minnesota DNR has demonstrated conformance with the SFI 2015-2019 Standard and Rules, Section 2 – Forest Management Standard, according to the NSF Certification Process.

NSF initially certified Minnesota DNR to the SFI Standard in 2005 and recertified the organization in 2010 and in 2013 based on review of the program against all of the SFI requirements. A surveillance audit against a sample of requirements occurred in 2014. This report describes the 2015 Re-Certification Audit which also included the relevant requirements of the 2010-2014 SFI Standard.

The audit was performed by NSF on September 21-25 by a five-person audit team headed by Mike Ferrucci, NSF Lead Auditor supported by Dr. Dave Capen (Wildlife), Dr. Jessica Leahy (public involvement) and FSC Auditors Dr. Robert Hrubes and Paul Pingrey. Audit team members fulfill the qualification criteria for conducting audits contained in SFI 2015-2019 Standards and Rules, Section 9 - Procedures and Auditor Qualifications and Accreditation.

The objective of the audit was to assess conformance of the organization's SFI Program to the requirements of the SFI 2015-2019 Standard and Rules, Section 2 – Forest Management. The scope of the audit included forest management operations. Forest practices that were the focus of field inspections included those that have been under active management over the planning period of the past 2 years. Practices conducted earlier were also reviewed as appropriate (regeneration and Best Management Practices for example). SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were also within the scope of the audit.

The SFI Standard was used without modifying any requirements. Several of the SFI Section 2 requirements were outside of the scope of Minnesota DNR's SFI program and were excluded from the scope of the SFI Re-Certification Audit as follows:

- Indicator 2.1.4 involving planting exotic species
- Performance Measure 8.3 relating to private lands
- Indicator 10.1.2 because there is no research on genetically engineered trees via forest tree biotechnology

Audit Process

NSF initiated the audit with a planning process to confirm the scope of the audit, review the SFI Indicators and evidence to be used to assess conformance, verify that Minnesota DNR was prepared to proceed to the Re-Certification Audit, and to prepare a detailed audit plan. NSF then conducted the Certification Audit of conformance to the SFI, Section 2. A report was prepared and final approval was done by an independent Certification Board member assigned by NSF. Follow-up or Surveillance Audits are required by SFI, Section 9. The initial Surveillance Audit is scheduled for September 20th to 22nd, 2016.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SFI requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices.

During the audit the NSF team reviewed a sample of the written documentation assembled to provide objective evidence of 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 protocols. 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.

Minnesota DNR qualified for multi-site sampling per the SFI Standard's Section 9 Auditing Requirements. The program has 17 forestry work areas that are considered sites. (Note: Lands administered by the Division of Wildlife, wildlife activities, and wildlife work areas within the certified portion of the state are also within the scope of the audit; because these generally overlap geographically with forestry work areas the decision has been made to base sampling on the Forestry Division's work areas.) The audit team visited 5 forestry work areas, multiple small Wildlife Management Areas (WMAs) within several wildlife work areas, and reviewed the centralized management of the organization.

The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the standard.

Minnesota DNR's Lands and Sustainable Forestry Programs

Minnesota DNR manages 5.4 million acres of state lands throughout Minnesota, following an interdisciplinary approach designed to integrate the harvesting of forest products, management of wildlife habitat, the protection of special sites, and the provision of extensive recreational opportunities. These lands encompass a variety of forest types, including aspen, white, red, and jack pine, mixed lowland conifers, oak-hickory, and northern hardwoods. Forest products produced include timber, pulpwood, firewood, cabin logs, poles, and other specialty products. Nearly 5 million acres are within the scope of the SFI 2015-2019 Forest Management Standard certificate.

“Background: The Minnesota Department of Natural Resources (MN DNR) sought and obtained dual forest management certificates on December 31, 2005 under two internationally recognized, independent, credible forest management certification systems: the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). MN DNR's certificates have since grown from 4.47 to 4.96 million acres of state administered forestlands certified under the FSC standard and 4.98 million acres certified under the SFI standard. MN DNR is one of the largest single certificate holders in the country. Along with its counterparts in Wisconsin and Michigan, MN DNR has been a leader in forest certification. Currently, there are over 8.4 million acres of forestland in the state of Minnesota certified under FSC and/or the Sustainable Forestry Initiative (SFI) program.

Forest management certification is consistent with MN DNR's mission and responsibility 'to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.' Therefore, MN DNR is looking to continue with its forest management certification efforts.” Source: Minnesota Department of Natural Resources.

Lands included in the SFI Certification = 4,960,177 acres comprised of:

- Forestry Administered: 4,079,000 acres
- Wildlife Administered: 777,000 acres
- Fisheries Administered Lands in Lake County: 7,864 acres
- Wildlife Administered LUP (Land Utilization Project): 85,867 acres
- Trails Administered Lands: 22,552 acres

Overview of Audit Findings

SFI Minor Non-conformances

Minnesota DNR was found to be in overall conformance with the standard, with one minor non-conformance:

SFI Indicator 3.1.1 requires a “Program to implement federal, state or provincial water quality best management practices during all phases of management activities.”

Minor Non-conformance: There is not a process in place to ensure that the requirements in the Forest Management Guidelines under “Spills and Emergencies” are being met during logging operations.

Minnesota DNR has developed a corrective action plan to address this finding and the issue has been resolved. Progress in implementing the corrective action plan will be reviewed in subsequent surveillance audits.

SFI Opportunities for Improvement

Five opportunities for improvement were also identified, and included:

Planning (SFI 1.1.1)

SFI OFI 2015.1: There is an Opportunity for Improvement in the pace of completion of Section Forest Resource Management Plans, considering the many changes in markets, conditions, and policies.

SFI Indicator 1.1.1 requires “Forest management planning at a level appropriate to the size and scale of the operation...”

Cover-Type Diversity Goals (SFI 4.1.3)

SFI OFI 2015.2: There is an Opportunity for Improvement when updating plans and implementing practices to achieve long-term landscape goals for forest composition and age-class structure.

SFI Indicator 4.1.3 requires the following: “Document diversity of forest cover types and age or size classes at the individual ownership or forest tenure level, and where credible data are available, at the landscape scale. Working individually or collaboratively to support diversity of native forest cover types and age or size classes that enhance biological diversity at the landscape scale.”

Training (SFI 11.1.3)

SFI OFI 2015.3: There is an Opportunity for Improvement in the understanding and consistent application of the Minnesota Site Level Guidelines for the distribution of one-third of the logging slash throughout harvest sites.

SFI OFI 2015.4: There is an Opportunity for Improvement in the understanding of the implications of recent analyses of Economic Rotation Age, the factors foresters should consider when making decisions regarding the end of rotation, and how to interpret new policies related to the management of planted red pine stands.

SFI Indicator 11.1.3 (related to OFIs 2015.5 and 2015.6) requires “Staff education and training sufficient to their roles and responsibilities.”

Management Review (SFI 15.1.3)

SFI OFI 2015.5: There is an opportunity to continue to emphasize the process of responding to the 2014 MN Office of Legislative Audit (OLA) of Forestry Program findings. This OFI is similar to a 2014 OFI. The 2014 MN Legislative Audit of Forestry Program contains several recommendations that closely track with recent and past findings of internal audits and third-party certification audits.

SFI Indicator 15.1.3 requires “Annual review of progress by management and determination of changes and improvements necessary to continually improve conformance to the SFI 2015-2019 Forest Management Standard.”

These findings involving “Opportunities for Improvement” do not indicate a current deficiency, but serve to alert the organization to areas that could be strengthened or which could merit future attention.

Exceeds the Requirements

Minnesota DNR has demonstrated exceptional practices in several areas of the SFI 2015-2019 Forest Management Standard:

The use of the NPC ECS to classify sites and guide site-level management decisions regarding converting forest cover types is an exceptional practice. (This finding is supported by the rollout of the Stand Exam Layer.)

SFI Indicator 1.2.2 states that “Where a Program Participant intends to convert another forest cover type, an assessment considers:

- a. Productivity and stand quality conditions and impacts which may include social and economic values;
- b. Specific ecosystem issues related to the site such as invasive species, insect or disease issues, riparian protection needs and others as appropriate to site including regeneration challenges; and
- c. Ecological impacts of the conversion including a review at the site and landscape scale as well as consideration for any appropriate mitigation measures.”

The program has demonstrated exceptional performance in achieving species composition and stocking rates, often in very challenging situations. SFI Indicator 2.1.2. specifies “Clear criteria to judge adequate regeneration and appropriate actions to correct understocked areas and achieve acceptable species composition and stocking rates for planting, direct seeding and natural regeneration.”

Minnesota DNR has an exceptional program for conservation of native biological diversity. SFI Indicator 4.1.1 requires a “Program to promote the conservation of native biological diversity, including species, wildlife habitats and ecological community types.”

Minnesota DNR promotes recreational use of the forests and regularly modifies timber management to better accommodate such use. As such the SFI Standard is exceeded. SFI Performance Measure 5.4 states that “Program Participants shall support and promote recreational opportunities for the public.” While Indicator 5.4.1 requires the organization to “Provide recreational opportunities for the public, where consistent with forest management objectives.”

The Minnesota DNR program for addressing the impacts of climate change on its forests and on the biodiversity that they support exceeds the standard in working towards adaptation and mitigation strategies applicable to its forest resource management efforts. Performance Measure 10.3 states that “Program Participants shall individually and/or through cooperative efforts involving SFI Implementation Committees, associations or other partners broaden the awareness of climate change impacts on forests, wildlife and biological diversity.”

Minnesota DNR has developed exceptional and still improving systems to review commitments, programs and procedures to evaluate effectiveness across the three divisions and for the overall land management enterprise. SFI Indicator 15.1.1 requires a “System to review commitments, programs and procedures to evaluate effectiveness.”

2014 SFI Minor Non-conformances Reviewed During the 2015 Audit

Two minor non-conformance were issued during the 2014 surveillance audit. These were reviewed during the 2015 audit, with conformance found for both.

SFI Indicator 3.1.1 requires a “Program to implement state or provincial best management practices during all phases of management activities.” The 2014 Minor Non-conformance involving slash associated with winter logging getting into an adjacent wetland was closed, and the corrective and preventive plans are completed and appear to be having the desired effect. No other instances of improper placement of slash in wetlands were observed.

SFI Indicator 4.1.4 requires the “Development and implementation of criteria, as guided by regionally appropriate best scientific information, to retain stand-level wildlife habitat elements such as snags, stumps, mast trees, down woody debris, den trees and nest trees.” The 2014 CAR plan for the Minor Non-conformance was implemented, in part via publication of the “Division of Forestry Green Tree Retention Tipsheet” on September 17, 2015 and the corresponding memo from three key central office program staff.



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 evidence of conformance for this indicator included:

- Subsection Forest Resource Management Plans (SFRMPs)
- Minnesota Forest Resources Council (MFRC) Site-Level Forest Management Guidelines
- Interdisciplinary Forest Management Coordination Framework
- ECS Native Plant Community Keys and linked Silvicultural Interpretations
- Minnesota Strategic Conservation Agenda
- MFRC Landscape Program which developed recommended desired outcomes, goals, and strategies for six Sections in Minnesota, and
- Inventory data and growth models.
- Selected management plans for wildlife management areas
- Silvicultural Prescription Worksheets and Timber Appraisal Reports for selected harvests

Objective 2 Forest Health and 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. Minnesota DNR has programs for reforestation, for protection against insects, diseases and wildfire, and for careful management of activities which could potentially impact soil and long-term productivity. Key field records including Silvicultural Prescription Worksheets, Timber Appraisal Reports, Permit Activity Reports, and other data from various database systems.

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 portions of selected field sites that were close to water resources. MFRC Site-Level Forest Management Guidelines (BMPs) are also an important part of the program to protect water resources. Selected Permit Activity Reports were reviewed, and Timber Sale Administration Foresters were interviewed.

Objective 4 Conservation of Biological Diversity

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 Interdisciplinary Forest Management Coordination Framework ensures that biodiversity issues are considered in forest management planning. Minnesota also has developed a

comprehensive system of Representative Sample Areas (RSAs) and High Conservation Value Forests (HCVFs) which are protected and managed to provide for sensitive species and communities.

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 the implementation of policies for visual quality, including road zoning, were assessed during the evaluation. Maps of recreation sites, combined with field visits, helped confirm a strong recreation program.

Objective 6 Protection of Special Sites

To manage lands that are 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 Minnesota Biological Survey (MBS) which is conducted county-by-county to search for rare plants, animals, and communities continues to be the core of the program. Minnesota also has developed an initial set of Representative Sample Areas (RSAs) and comprehensive pool of candidate High Conservation Value Forests (HCVFs) which are managed to protect and provide for sensitive species and communities. Some of these sites were visited to compare protections with maps and written information.

Objective 7 Efficient Use of Fiber Resources

To minimize waste and ensure the efficient use of fiber resources.

Summary of Evidence:

Field observations of completed operations, contract clauses, and discussions with supervising field foresters and with loggers provided the key evidence. Foresters monitor utilization during all harvests and consider the new biomass harvesting guidelines. Selected Permit Activity Reports were reviewed, and Timber Sale Administration Foresters were interviewed. The Division of Forestry has a Utilization and Marketing Program.

Objective 8 Recognize and Respect Indigenous Peoples' Rights

To recognize and respect Indigenous Peoples' rights and traditional knowledge.

Summary of Evidence:

Auditors contacted tribal representatives and reviewed records of tribal outreach activities to determine conformance.

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. Regulatory compliance has been very strong.

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:

Records of research support and interviews with foresters and with specialists provided evidence of strong efforts in forestry research.

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 interviews were the key evidence for this objective. Minnesota DNR provides support for the Minnesota Logger Education Program.

Objective 12 Community Involvement and Landowner Outreach

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:

Review of documents showing outreach activities and interviews with staff and stakeholders were sufficient to assess conformance with the requirements selected for review during this audit.

Objective 13 Public Land Management Responsibilities

To participate and implement sustainable forest management on public lands.

Summary of Evidence:

Interviews and review of documents and correspondence as well as the Minnesota DNR website 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:

Interviews, copies of reports filed with SFI Inc. and the SFI Inc. website provided evidence of conformance.

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. Follow-up actions for internal audit findings were also reviewed.



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 areas, and to conform with forestry 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 lands that are ecologically, geologically or culturally important in a manner that 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. Legal Compliance

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

9. Research

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

10. Training and Education

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

11. Community Involvement and Social Responsibility

To broaden the practice of sustainable forestry on all lands through community involvement, socially responsible practices, and through recognition and respect of Indigenous Peoples' rights and traditional forest-related knowledge.

12. Transparency

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

13. Continual Improvement

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

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

(Applies only to the SFI 2015-2019 Fiber Sourcing Standard)

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.

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



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