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## China, Peoples Republic of

### Solid Wood Products

### Forest Certification - Chain of Custody

### 2008

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**Report Highlights:** In September 2007, the State Forestry Administration of the People's Republic of China published a new forestry standard that applies to forestry certification and chain of custody (CoC) certification. This standard details the management system put in place to ensure CoC certification for forestry products. This report contains an OFFICIAL TRANSLATION provided by the Chinese Government.

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**Executive Summary:** In September 2007, the State Forestry Administration of the People's Republic of China published a new forestry standard that applies to forestry certification and chain of custody (CoC) certification. This standard details the management system put in place to ensure CoC certification for Chinese forestry products. This standard can be endorsed and utilized by any company that seeks CoC certification for the purposes of declaring and/or verifying the origin of the raw materials included in the production of forest products. This report contains an OFFICIAL TRANSLATION provided by the Chinese Government.

BEGIN TRANSLATION

**Forestry Standard of the People's Republic of China  
Forest Certification --- Chain of Custody**

LY/T 1715-2007

**Promulgated on September 10, 2007 by the State Forestry Administration of the P.**

**R. China**

**Effect from October 1, 2007**

Foreword

This Standard is initiated and managed by the Science and Technology Development Center (STDC) under the State Forestry Administration (SFA).

The Forestry Science and Technology Information Research Center under Chinese Forestry Academy (CFA) is commissioned to develop this Standard, with the text drafted chiefly by Mr. Lu Wenming, Mr. Zhao Jie, and Mr. Xu Bin.

**Forest Certification: Chain of Custody**

**1 Scope**

This standard specifies the terms and definitions used in forest certification and Chain of Custody (CoC) certification. It also specifies the requirements for system management, raw material management, production control and record-keeping, CFCC logo and its utilization, sales documentation.

This standard can be endorsed and utilized by any company that seeks for CoC certification for the purposes of declaring and/or verifying the origin of the raw material included in the production and trading of forest based products.

## **2 Terms and Definitions**

The following terms and definitions apply to this Standard:

### **2.1**

#### **Forest certification**

As a tool to promote sustainable forest management through market mechanism, forest certification includes two basic components, forest management certification and chain of custody (COC) certification. Forest management certification is to testify whether a forest is managed sustainably by assessing the forest management activities of the forest management unit. COC certification covers the whole process throughout the production and circulation of forest based products so as to verify the origin of the raw materials involved thereof. In other words, CoC certification is a comprehensive assessment on each of the links ranging from the processing, manufacturing, transportation, storage through sales of forest based products to the final consumers.

### **2.2**

#### **Chain of custody**

Chain of Custody refers to the tracking of raw materials, semi-finished products and finished products from forests to their final consumers, covering each of the changes of custodianship in the processing, production, transportation, storage and sales of forest based products.

### **2.3**

#### **Company**

Company in this standard refers to the firms and/or enterprises that are engaged in the making and/or trading of forest based products.

**2.4****Documented management procedure**

Written management documents and/or operation manuals that the companies formulated to guide their internal management and business running, including those documents required by the CoC mechanism.

**2.5****Record**

Books kept by the companies to reflect corresponding data in each procedure of their business and other files that document their management initiatives and activities.

**2.6****Forest based product**

Products that are made from raw materials originated from forests, including wood products and non-wood products.

**2.7****Labeling**

Labeling refers to the attachment of certification logos on the certified products or to the declaration that the products have been certified.

**2.8****Declaration**

Statements made with regards to some particular aspects of the certified forest based products.

**2.9****Manager's representative**

Staff designated by the management of the companies to take charge of CoC management on behalf of the managers.

**2.10****Certified product group**

One category or a collection of product types that are produced by companies in conformity with this standard and therefore are qualified for the certification logo. The raw materials used for the series of products shall be of similar types, with the same proportion of a certain tree species and comparable quality grade.

**2.11****Certified product group schedule**

The list of all the products made by the company and covered by the CoC certification.

**2.12****Certified materials**

The wood and non-wood based raw materials that have gone through CoC certification and are used by the companies to produce certified products, including pure-certified materials and mixed-certified materials.

**2.13****Pure-certified materials**

Raw materials used by companies to produce certified forest based products that have gone through CoC certification and attached with "Pure-Certification" logos.

**2.14****Mixed-certified materials**

Raw materials used by companies to produce certified forest based products that have gone through CoC certification and attached with "Mixed-Certification" logos.

**2.15****Controlled materials**

Wood and/or Non-wood raw materials used by companies to produce certified forest based products that are not derived from illegally harvested forests, or from forests where the

forestry operations seriously threaten the high conservation value forests, or from plantations established on degraded natural forests.

## 2.16

### **High conservation value forest**

All forests, in addition to their economic values, are endowed with environmental and social values. When the environmental and social values of the forests are of great significance, such forests can be defined as high conservation value forests.

## 2.17

### **Non-controlled materials**

Raw materials used by companies to produce products that cannot be verified as certified or controlled materials.

## 2.18

### **Certified product**

Products made by companies in conformity with the requirements of this standard and are therefore legible for using CFCC logos, including pure-certified product and mixed-certified product.

## 2.19

### **Pure-certified product**

Products made by companies in conformity with the requirements of this standard from pure-certified materials and are therefore legible for using "Pure-certification" logos.

## 2.20

### **Mixed-certified product**

Products made by companies in conformity with the requirements of this standard and on basis of threshold method or volume credit method, which are therefore legible for using "Mixed-certification" logos.

**2.21****Sales invoice**

Invoices or other relevant receipts issued by companies upon the sales of certified products, which bears related information about the concerned products.

**2.22****Claim period**

The time span determined by the companies for calculating the rolling percentage of the certified raw materials in order to use the certification logos or to declare that a particular product or product group has gone through certification, which is no longer than twelve (12) months.

**2.23****Rolling percentage**

The percentage of certified raw materials among all the raw materials that is calculated on rolling basis within the claim period of a particular certified product group.

**2.24****Logo**

Labels issued by China Forestry Certification Scheme and attached to the forest based products or their packages. Regarded as the "verifying trademark", such logo is used to indicate that the wood and/or non-wood forest raw materials used for the production of the concerned forest based products are derived from forests where the forestry operation has been certified as sound and sustainable. The logos can either be directly attached to the products or to the exterior packages.

**2.25****Conversion factor**

The ratio between the amount of wood raw materials put in by the companies and the amount of certified products turned out.

**2.26**

**Threshold method**

A method used to determine the amount of certifying label which specifies the minimum rolling percentage of certified raw materials used for producing a particular product group within the specified claim period. All certified products produced on basis of the threshold method shall be legible for using the certifying logos.

**2.27****Volume credit method**

A method used to determine the amount of certifying labels, which calculates the amount of products legible for using the logos on basis of the input of certified raw materials and the conversion factor for a particular product group. Under this method, only part of the outturns of the concerned product group shall be legible for using the certifying logos.

**2.28****Credit volume**

The amount of certified products calculated by volume credit methods that are legible for using the certifying logos.

**2.29****Volume credit statistics table**

A chart that records, based on the volume credit method, the certified raw material inputs, its percentage, the conversion factor and the credit volumes.

**2.30****Credit product**

The mixed-certified products turned out on basis of volume credit method.

**2.31****Patch**

The number designated for a certified product group to identify all the certified products within the concerned group.

### **3 System Management**

#### **3.1 Responsibility**

3.1.1 Manager's representative (or special personnel) shall be designated by companies to take charge of their corresponding CoC system so as to ensure all the requirements listed under this standard have been duly met.

3.1.2 Clear and specific job descriptions shall be made for all the key positions in the company so that this standard can be strictly implemented and all corresponding requirements are fully satisfied.

#### **3.2 Categorization of the Certified Products**

3.2.1 A full list of all the certified product groups shall be made available by corresponding company.

3.2.2 Products shall be deemed to fall within the same certified product group if the raw materials put in for their production are of similar types, and the tree species used as well as their respective proportion and quality are of comparable types. Otherwise, the products shall be taken as belonging to different certified product groups.

3.2.3 The list of the certified product groups shall be updated regularly and timely.

#### **3.3 Documents on the Management Procedures**

3.3.1 Documents on the management procedure that reflect all the corresponding requirements of this standard shall be duly prepared by all companies.

3.3.2 The persons or positions that are responsible for managing each of the procedures within the CoC shall be clearly described in the management documents.

#### **3.4 Records and Reports**

3.4.1 Accurate, complete and up-to-date records and reports concerning each aspect of this standard shall be kept by the companies.

3.4.2 All the records and reports shall be kept for no less than five (5) years.

#### **3.5 Training**

3.5.1 Objectives and targets shall be made by the companies to train corresponding members in their workforce the needed knowledge and techniques for implementing this standard.

3.5.2 The training courses shall be duly carried out, with their effects adequately assessed.

3.5.3 Records for the training courses shall be kept and archived by the companies.

## **4 Raw Materials Management**

### **4.1 Origins of the Raw Materials**

4.1.1 All the raw materials to be used for producing certified products shall have to be certified or controlled. The certified raw materials include the pure-certified and the mixed-certified ones.

4.1.2 All raw materials that cannot be clearly identified as coming from certified or controlled sources shall be deemed as un-controlled by the CoC.

4.1.3 Companies shall observe to the following requirements in procuring certified raw materials:

( 1) Suppliers of the certified raw materials shall bear valid CoC certificate or joint certificate for forest management certification and CoC certification issued by competent accredited certifying agencies;

( 2) Raw materials supplied shall be clearly identified as pure-certified or mixed-certified ones;

( 3) Sales invoices and transportation permits for the certified raw materials shall bear the serial number of the supplier's certificate.

4.1.4 Controlled materials shall only be procured from suppliers that duly present all the needed proofs concerning the materials.

4.1.5 Un-controlled raw materials shall not be used for producing certified products.

### **4.2 Reception and Storage of the Raw Materials**

4.2.1 Upon reception of the raw materials, companies shall inspect the materials and verify that the corresponding certificates are authentic and reliable.

4.2.2 Pure-certified raw materials, mixed-certified raw materials, controlled and uncontrolled materials shall be separately stored and marked with easily identifiable signs.

## 5 Production Control and Record-keeping

### 5.1 Data Collection and Book-keeping

5.1.1 For each of the certified product group, separate monthly records shall be kept by the companies concerning the amounts (in weight or measurement) of the pure-certified raw materials, mixed-certified raw materials, controlled materials and the certified products yielded thereof, including the following items:

- ( 1) the amount of raw materials distributed for productive purposes;
- ( 2) the amount of raw materials actually used in the production;
- ( 3) the output of certified products;
- ( 4) volume of products sold as certified.

5.1.2 For miscellaneous and/or small orders, companies may duly shorten the book-keeping cycles (for instance to one week).

5.1.3 For each certified product group, companies shall determine a claim period which is normally no longer than twelve (12) months. For miscellaneous and/or small orders, the claim period may be duly shortened (for instance to one week).

5.1.4 Rolling percentage of the certified materials among the total materials shall be calculated for each of the certified product group. The rolling percentage shall be calculated from a specific starting date through the date when the declaration is made, but in no case can the date exceed the claim period. The rolling percentage is calculated by formula as follows:

$$P_c (\%) = \frac{V_c}{V_c + V_o} \times 100\%$$

P<sub>c</sub>: rolling percentage;

V<sub>c</sub>: the sum of certified raw materials within a given period;

V<sub>o</sub>: the sum of controlled raw materials within a given period.

5.1.5 Rolling percentage of the certified raw materials used for producing each certified product group shall be recorded monthly.

5.1.6 Batch number shall be designated for each certified product group so as to differentiate and track the products.

## 5.2 Production Control

5.2.1 Throughout the production procedure, the certified raw materials, the controlled raw materials, the semi-finished products and the finished products shall be physically separated from the other materials and products, with easily identifiable marks attached.

5.2.2 The whole production process shall be tracked and recorded so as to work out the conversion factor for each type of certified products.

## 6 The Logo for China Forest Chain of Custody (CFCC) and Requirements for Its Utilization

### 6.1 The Logo for China Forest Chain of Custody

6.1.1 The shape and color of CFCC logo is illustrated as follows in Figure 1:



Note: CFCC logo takes symbolize the theme of designed jointly by STD

ee species to China, to go is conceived and C).

### 6.2 The Utilization of t

6.2.1 As long as a comp among the listed certifie corresponding products.

nd its products fall :FCC logo on its

6.2.2 CFCC logos shall be printed clearly and be easily identifiable.

6.2.3 When printed on the labels, users' manuals and other publicity materials of the certified products, the CFCC logo may be either enlarged or contracted proportionally. Any

changes to the shape and color of CFCC logo shall be done in strict conformity with the corresponding stipulations concerning the use of the logo.

**6.3 Specifications of the Logo**

6.3.1 CFCC logos fall among “pure-certification” and “mixed-certification” categories. All logos shall bear the following information:

- ( 1) CFCC logo;
- ( 2) name of the logo;
- ( 3) the initials of the authorized issuing agency, the certificate type (e.g. FM/COC or COC ) and the registration serial number of the certificate.

6.3.2 “pure-certification” Logo



6.3.3 “mixed-certification” Logo



6.3.4 In cases where the product group is produced on basis of threshold method and the rolling percentage of the certified materials is no less than 70%, the rest being controlled materials, all the products thereof produced shall be regarded as mixed-certified.

6.3.5 In cases where the product group is produced on basis of volume credit method, the amount of products that can be granted “mixed-certification” logos shall be calculated by the amount of certified raw materials used in the production, subject to that the rest being controlled. Specific requirements are listed as follows:

- ( 1) For the product groups that use CFCC logos, the rolling percentage of certified raw materials shall be no less than 10%;
- ( 2) Companies shall convert the rolling percentage into volume credit and construct volume credit statistic tables. The volume credit statistic tables shall record the amount of certified raw materials and conversion factors on monthly basis and work out the amount of products converted from each certified materials and the volume credit of the concerned product group;
- ( 3) The number of certified products bearing CFCC logos shall NOT exceed the accumulated volume credit reflected by the volume credit statistic table for the concerned product group at the end of the previous month;
- ( 4) Companies shall work out and record the total sales volume of the certified products on basis of the volume credit statistic tables and deduct it from the available volume credit at the end of the previous month, which in turn yields the remaining volume credit for the concerned month;
- ( 5) At the end of each month, companies shall deduct all the volume credits that are obtained twelve months ago and hence have expired from the volume credit statistic tables;
- ( 6) The serial number of the sales invoice documenting the sales of the certified products shall be recorded in the volume credit statistic tables.

#### **6.4 The Approval of the Logos and Declarations**

6.4.1 Approval from competent accredited certifying agency shall be acquired by companies previous to attaching CFCC logos to the products or to making exterior declarations concerning the certification. The making and utilization of the certification logos shall conform to relevant stipulations.

6.4.2 Companies shall keep records related with authoritative certifying agencies' approval of the certifying logos and certification declarations, together with records about their use of the logos and declarations.

### **7 Sales Invoices and Record-keeping**

#### **7.1 Sales Invoices**

7.1.1 The sales invoices for the certified products shall bear information as follows:

- ( 1) the buyer's name;
- ( 2) the date on which the invoice is issued;
- ( 3) the amount of certified products involved in the transaction;
- ( 4) the type of certified products, pure-certified or mixed-certified;
- ( 5) registration serial number of the CoC certificate issued by accredited certifying agencies;
- ( 6) the batch number of the certified products;
- ( 7) relevant information concerning transportation permits.

7.1.2 Descriptions about the certified products on the sales invoices shall conform to the following requirements:

- ( 1) "Pure-certification" can only appear on the sales invoices that document the transaction of pure-certified products;
- ( 2) "Mixed-certification" shall appear on the sales invoices for mixed-certified products produced on basis of threshold method, together with the percentage of the certified raw materials;
- ( 3) "Mixed-certification" shall appear on the sales invoices for mixed-certified products produced on basis of volume credit method, together with notes indicating "credit products".

7.1.3 In cases when sales invoices are not available in the transportation of the certified products, transportation documents shall have to be prepared by the concerned companies, bearing the following information:

- ( 1) the buyer's name;
- ( 2) the date on which the invoice is issued;
- ( 3) the amount of certified products involved in the transaction;
- ( 4) the type of certified products, pure-certified or mixed-certified;
- ( 5) registration serial number of the CoC certificate issued by accredited certifying agencies;
- ( 6) the batch number of the certified products;
- ( 7) other information needed for the transportation.

## **7.2 Sales Records**

7.2.1 Companies shall keep detailed records concerning the buyers and sales volume of the certified products, documenting all relevant information about the sales.