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Forestry Stewardship Council in Relation to Market Accessibility by Small Scale Timber Growers: A Case in KwaZulu-Natal

Sizwe Mtengu and Paul Green*

Durban University of Technology, South Africa

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ABSTRACT This paper provides an assessment of the Forestry Stewardship Council in relation to market accessibility by the small scale timber farming in the KwaZibi Area. The market has shown an inclination to buy timber from small scale timber growers, provided they meet the minimum standards of Forestry Stewardship Council certification. However, these growers face a challenge in terms of compliance. The small scale timber growers find themselves being excluded from the forestry stewardship council certification due to certain barriers. A qualitative research method was employed in order to gain a deeper understanding of the problem. The population included small scale growers, forestry development practitioners, buyers and forestry stewardship council consultants. Data were collected from 12 respondents using a purposive sampling technique and analysed using thematic analysis. The study recommends that the forestry industry should look at forming a body that will assist the small scale timber growers with regards to price determination and certification-related issues.

INTRODUCTION

The topic of stewardship still remains a highly contemporary issue and this is no exception to the South African context (Barendse et al. 2016). The study was conducted in the KwaZibi area, which is a small rural area under the Umhlabuyalingana Municipality and it falls within the traditional council of Inkosi Mabudu Tembe. The Umhlabuyalingana Local Municipality is one of the five local municipalities under the uMkhanyakude District. It is located in the North Eastern part of KwaZulu–Natal, covering an area of approximately 3,621 km^2 (UDM 2012). According to Statistics SA (2014), the total population for the municipality is approximately 156,736 people, with an average size of 4.5 people per household. The municipality is classified as ninety-nine percent rural. The unemployment rate for the Municipality is forty-seven percent of which fifty-six percent represent youth unemployment, resulting in a dependency ratio of 82.5 (Statistics SA 2014). The area has about 70 small growers with the total area of approximately 300ha. The economic drivers for this area are agriculture (mainly forestry), tourism and government employment. Most of the households practise fishing as the main source of food (Statistics SA 2014).

Currently, there is no certification programme that exists for the small scale timber growers in the communal land. Therefore, findings from this study will enhance the understanding of the forest industry, small scale growers and FSC with an ultimate aim of encouraging sustainable forestry management for small scale growers.

Problem Statement

Nesamuvu et al. (2016) advocated that the agrarian reform has been seen as a key state intervention that would reduce poverty by redistributing wealth and transforming rural areas into centres of equity-led economic growth. According to Statistics SA (2014), the agro industry, which incorporates forestry, contributes twelve percent of the country's Gross Domestic Product (GDP). In terms of GDP, the forestry sector alone contributes 1.2 percent. In KwaZulu-Natal, forestry is a major economic and social force with a Gross Geographic Product per capita of twenty-four percent. In the original Zululand Area, which stretches from Richards Bay to Maputaland, forestry is regarded as one sector that contributes to both employment and business opportunities for the poor in the central rural areas (Dlamini 2015).

The Richards Bay area has three Woodchips and one Pulp Mill which provide a market for the timber growers. The market has shown an ea-

*Address for correspondence:
Dr Paul Green
Durban University of Technology,
Faculty of Accounting & Informatics,
PO Box 1334,
Durban 4000, South Africa

gerness to buy timber from the small scale timber growers provided they meet the minimum standards of the Forestry Stewardship Council (FSC) certification. However, small scale timber growers face a challenge in terms of compliance with FSC. According to the FSC (2006: 2), FSC is the Forestry Standard Certification that forms "a market–based instrument designed to encourage the sustainable management of the world's forests." Ham (2006) suggests that the small scale growers find themselves being excluded from the FSC certification because of difficulties such as language, low education levels, cost, and excessively complicated procedures.

It is against this background that the purpose of this paper is two-fold, firstly, to identity some of the challenges facing the small scale timber growers in the KwaZibi Area, and, secondly, to assess the impact of the FSC in relation to the market accessibility by the small scale timber farming in the KwaZibi Area.

Literature Review

According to the Department of Water Affairs and Forestry (DWAF 2005), the forest resource in South Africa has three main components, namely: indigenous forests, savannahs and plantations. The focus of this study is on plantations, which are the trees planted by the individual timber farmers, corporate or government for commercial purposes. The commercial forestry plantations in South Africa cover approximately 1.7 million hectares, of which 1.27 million hectares are planted (DAFF 2009; Dlamini 2015). This equates to one percent of the arable land in the country (Godsmark 2014; Blignaut and de Wit 2004). DWAF (2005) stated that eighty percent of these plantations are found in the following provinces of South Africa: Mpumalanga, KwaZulu–Natal and the Eastern Cape.

Dlamini (2015) explained that approximately 48.3 percent is owned by corporate companies, 20.2 percent owned by commercial enterprises (timber farmers and co-operatives), 11.3 percent is managed by corporate (Ex SAFCOL), 10.1 percent is under SAFCOL, 6.6 percent is owned by the State/Municipalities and 3.5 percent is under the hands of the Small Scale Timber Growers. It is essential to note that the figures by Dlamini included the government plantations and also reflected the figures for the Forest South Africa (FSA) members. Godsmark (2014) explained that FSA is the grower association which represents the interest of its members and the South African Forestry Industry. It also did not include any afforestation after 2014 figures. DAFF (2009) defined afforestation as the planting of new forest in areas that were not previously planted or covered by the forest. The aforementioned forestry plantations in South Africa were mainly managed for pulpwood, saw logs, mining timber, poles and for other commodities. The importance of the pulpwood industry is clear as 55.7 percent of the plantations are grown for pulpwood. This is largely due to the fact that South Africa has a competitive advantage when it comes to the growing conditions; which lead to shorter rotations when compared to the other countries (Masuku 2005).

Contribution of Forestry to the South African Economy

Forestry also plays a crucial role in multi–dimensional poverty alleviation. Howard et al. (2005) stated that, to fully appreciate the role forestry plays in poverty alleviation, it is critical to acknowledge that poverty is closely linked to unemployment, it is concentrated in the rural areas and poverty is most prevalent in the Black segment of the society. Therefore, DAFF (2009) stated that forestry is seen as one of the economic strategic sectors with regards to the economic development and job creation.

In South Africa, the Sustainable Forest Management (SFM) was embraced by the National Forests Act (NFA) of 1998 (Act No 84 of 1998), (DAFF 2009). According to DAFF (2009: 11), NFA seeks "to promote the sustainable use of forests for environment, economic, educational, recreational, cultural, healthy and spiritual purposes; and promote community forestry." Section 3 of the Act recommends the development Criteria, Indicators and Standards (CI and S) for sustainable forestry management. According to the Institute of Natural Resources (2002), NFA gave rise to the Principles, Criteria, Indicators and Standards (PCI and S) to take into account the four key principles of sustainable management, namely: environmental, social, economic and policy.

To be explicit, PCI and S are defined as follows (Institute of Natural Resources 2002):

Principles (P) are the comprehensive objective statements for accomplishing sustainable forest management as set out by the society;

Criteria (C) are defined as the management goals that are set in order to accomplish the comprehensive objectives set out in the principles;

Indicators (I) are the instruments for measuring whether the management goals set in the criteria are being accomplished; and

Standards (S) are the minimum goals set as objectives for which the management should aim, in an effort to enhance sustainability.

The development of PCI and S was a huge milestone in South Africa because it serves as the blueprint for NFA and SFM as per the UNCED congress. The principles of SFM are then enforced by forestry certification to improve forestry management.

The Concept of Sustainable Forest Management

Hunter (2009) stated that, at the United Nations Conference on Environment and Development (UNCED) in 1992, the concept of Sustainable Forest Management (SFM) was adopted. The reasons that led to UNCED in 1992 were the different views of the stakeholders on what should constitute as acceptable forestry management. At the same conference, the international community debated key issues and principles related to SFM. Hunter (2009) mentioned that there was no overall agreement and no consensus on what exactly constitutes SFM. Hence, there is no single definition of SFM. However, it is stated that there are key clauses which can be used to define SFM which are not limited to the following (Hunter 2009):

- § Forests are vital to economic growth and the preservation of all forms of life;
- § Forestry matters and opportunities should be evaluated in an all-inclusive and balanced approach within the overall context of the environment and development, considering the numerous functions and uses of the forests, including conventional uses, and the likely economic and social stress when these uses are inhibited or limited, in addition to the latent development that sustainable forest management can provide;
- § Forest supplies and forest lands should be ecologically managed to address the ecological, economic, social, cultural, and spiritual human needs of the present and future generations. These needs are for forest products and services, such as wood and wood products, shelter, water, food, fodder, fuel, medicine, employment, recreation, landscape diversity, habitats for wildlife, carbon sinks and reservoirs, and for other forest products;
- § The fundamental role of all types of forests in preserving the ecological processes and balance at local, regional, national and global levels through, *inter alia*, their role in protecting the fragile ecosystems, watersheds, and freshwater resources and as rich storehouses of biodiversity and biological resources and sources of genetic material for biotechnology products, and for photosynthesis, should be acknowledged; and
- § Governments should also support and offer prospects for the participation of the concerned stakeholder, including the local communities and indigenous people, industries, labour, non-governmental organizations and individuals, forest dwellers, and women, in the development, implementation, and planning of national forest policies. National forest policies should acknowledge and duly identify with the identity, culture, and the rights of indigenous people, their communities, and other communities and forest dwellers.

Arising from the above key clauses, Higman et al. (2005: 4) defined SFM as the "process of managing forests to achieve one or more clearly specified objectives of management with regards to the production of a continuous flow of desired forest product and services, without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment." However, Hunter (2009) stated that the Brundtland Commission described sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Forestry Certification

ITS Global (2011) describes forestry certification as the voluntary system that is used to promote sustainable forestry management. Gullison (2003) stated that the objective of forest certification is to advance management of forestry by offering methods by which producers that employ advanced technology can recognize their products in the market place, which

will then enable consumers to identify and exclusively procure forest products that come from the forests whose source generates superior environmental and social benefits than products arising from forests with traditional management. Nelson (2002) agrees with Gullison (2003) in that forestry certification forms a part of a market instrument designed to encourage sustainable management of the world's forest.

Patosaari (2004) contradicts the views of Gullison and Nelson and believes that forest certification has different elements and many role players with various interests. For industry and trade, certification provides a mechanism for marketing and market access. Basically, a certified product is well positioned in the market as opposed to a non-certified product. For buyers and consumers, forest certification provides data on the impacts of the products they purchase. It can act as the blueprints for SFM elements. For forest owners, forest certification is a tool for market access or market advantage. For governments, it stands for a soft policy mechanism to promote SFM, in line with the government legislation. For Non-Government Organizations (NGOs), forest certification can be an instrument to influence the management.

Cashore et al. (2006) stated that it is imperative to note that "FSC is not a certifying body: but it sets standards and accredits certifying bodies, licensing them to audit forest management operations on their behalf." To ensure that the whole FSC process can be monitored and is applied accordingly, the FSC developed ten principles. Each principle has its criteria and indicators. ITS Global (2011) stated that there are 56 criteria and 269 indicators for responsible forestry management. This makes it impossible for the small growers on communal land to comply with so many criteria and indicators for a host of reasons which will be covered under challenges that are facing the small growers.

Market Accessibility by Small Scale Timber Growers

The plantation forestry in South Africa is generally grown for a specific purpose. Forestry Economic Services (2008) mentioned that this purpose invariably dictates silvi cultural practices and actual sales mix at the time of harvesting. DTI (2013) stated that the forestry value chain can be categorised into three main areas, namely: plantation forestry, primary processing industry and secondary processing industry. Plantation forestry is the key driver of the industry value since it is the supplier of raw material in both the primary and secondary processing industries. DTI (2013) clarified that primary processing takes into consideration sawmilling, pulp and paper, treated and dried timber, floorboards and mouldings. On the other hand, secondary processing industry includes furniture and construction products like windows, doors, etc.

The primary processing industry is the main consumer of timber in South Africa, through pulp. This confirms the earlier statement whereby 55.7 percent of timber is managed as the pulpwood objective in South Africa. This makes pulp, as the subsector, the major contributor in the GDP – 11.5 Billion rands in 2012. This is largely due to the market availability and the growing conditions. DTI (2013) stated that Sappi and Mondi remain the dominating contributors in this sector.

Challenges Facing Small Scale Timber Growers

According to Patosaari (2004), forestry provides an important meaningful contribution in supporting the livelihoods of people, mainly in poor and developing countries. Patosaari (2006) further indicated that approximately more than 1.6 billion people depend on forests, for different reasons, in their livelihoods. In the study at Sokhulu, which is the rural Tribal Authority Area in KwaZulu-Natal, Jele (2012) also discovered that timber farming is the common source of income in that particular area, although a large portion of households also depended on pension as one of their sources of income. The KwaZibi area in uMhlabuyalingana is also one of those rural areas that depend on forestry as the means of income.

As much as forestry is recognised by DAFF as the contributor to poverty alleviation, the small growers find themselves faced with numerous challenges that have a negative impact on their growth and development. The following are some of the challenges identified via desktop research that are facing the small growers in South Africa, which make it impossible for the small growers to be certified in terms of the current principles of the FSC:

Onerous Water Use Licensing Process: The water use licence is the first requirement that is required to establish a forestry plantation in South Africa as per the Water Act of 1998. Howard et al. (2005) stated that the time it takes to secure a stream flow reduction activity licence and the other government consents before any new afforestation may take place is the major challenge for small growers. It makes it difficult to grow both vertically and horizontally; and to comply with laws of the land as required by the first principle of the FSC.

Access Financial and Non–financial Support and Services: Small scale timber growers do not enjoy any form of subsidy from the Government. Previously, they use to be in a partnership schemes with big corporate companies, whose support is no longer available. All they offer now is the market (Dlamini 2015).

Uncoordinated Support: Unlike other agricultural commodities, there is a little support from various tiers of the government regarding forestry. Dlamini (2015) alludes to the different government policies, such as the Forest Sector Broad Based Black Economic Empowerment (BBBEE) Charter, that advocate the establishment of forestry grants to overcome investment difficulties and to accelerate the new entrance to the industry. The Minister finally announced the grant in September 2012 but no fiscal commitment has materialized yet (Dlamini 2015).

Lack of Extension Support: Howard et al. (2005) stated that the extension support provided by the Government to service small growers falls far short to meet the needs of the growers. In fact, when drawing parallels with agriculture, in all the tiers of the Government, there are men and women that are trained specialists to assist farmers with new technologies. Unfortunately, for forestry that is not the case. The small growers end up relying on the mills (market) for training and development. The non–aligned growers find themselves left out in the system.

Lack of Communication and Access to Information: Due to the lack of extension service in the forestry industry and uncoordinated support, the small growers end up missing the crucial information that might affect their businesses.

Infrastructure Development Conditions: Once again, due to the uncoordinated support for small growers, Howard et al. (2005) mentioned that there are very few instances where the government has provided support for small growers in the form of provision of infrastructure. This has had a negative impact on small growers. There is an urgent need for roads to be upgraded to allow for the economical transport of timber to the processing plants. In KwaZibi, short hauls from the small growers' plantation to the accessible loading zone is approximately 25 kilometres of poorly maintained road network.

Forest Protection: Due to the lack of the resources, small growers find themselves exposed to pests, diseases and fires. Dlamini (2015) mentioned that the government has been helpful by supporting the development and the release of biological control agents and approving the forest protection strategy. Unfortunately, there has not been any fiscal support approved for implementation.

Land Ownership: Forestry farming for small growers is practised in communal land under the control of the Tribal Authority. They are afforded what is known as a Permit to Occupy (PTO), which is not a Title Deed. In most cases, the size of the plantation, on average, is 3.5 ha. These two factors make it impossible for small growers to grow and meet the requirements for certification as per FSC principles.

RESEARCH METHODOLOGY

The study employed a qualitative research approach. Cooper and Schindler (2006: 716) described the qualitative research as "non-quantitative data collection used to increase the understanding of a topic". The qualitative research technique was chosen because it provides a rich explanation and recognises different role players' perspectives to the phenomena. It also presents a good perceptive of how things work and the effect of the initiative to the stakeholders (Leedy and Ormrod 2014). In this study, it was used on the basis that the research question is exploratory in nature as it seeks to assess the impact of the FSC in relation to market accessibility by the small scale timber farming in the KwaZibi Area, which is regarded as a complex situation and the literature availability of this topic is limited.

Research Design

The study employed a case study approach, as the research design, to assess the impact of the FSC in relation to market accessibility by

small scale timber farming in the KwaZibi Area. Leedy and Ormrod (2014: 102) define a case study as the "type of qualitative research in which in-depth data is gathered to a single individual, program, or event, for the purpose of learning more about an unknown or the poorly understood situation." Sekaran (2013) further stated that the main purpose of the case study is to understand a particular situation in great depth. The main reason why the case study approach was chosen as the research design for this study was the fact that the study itself is based on a single case with little known or poorly understood situation; which is the small growers and forestry certification in the KwaZibi area. This was appropriate for this study as it focused on a specific enquiry which is considered complex, with the aim of generating knowledge to further appreciate the complexity of the problem.

Target Population

The small growers in KwaZibi area operate within a diverse environment, which consists of the local community that are not growers, local government, businesses and practitioners. The population for this study included six small growers, three forestry development practitioners, two buyers and one forestry consultant. The study took place within a defined system of the KwaZibi area, targeting a specific set of the population.

Sampling

The sampling method employed in the study was purposive sampling. Leedy and Ormrod (2014) and Sekaran (2013) describe purposive sampling as the form of sampling method where people or other units are chosen, as the name implies, for a particular *"purpose"* and represents diverse perspectives on an issue. The criteria that were used to choose participants were based on people that exhibited a leadership role, had requisite information, were directly involved in timber farming and were able to provide informed information. Participants included six small growers, three forestry development practitioners, two buyers and the forestry consultant, totalling a sample of 12 participants. Creswell (2003) stated that at least 5 to 25 is the acceptable sample size for interviews in a qualitative study.

Data Collection Methods

The data collection tools used to collect primary data were interviews and observations from meetings and search note book. Hannabuss (2006: 3) asserted that the main purpose of interviewing is "to find out what is on someone's mind and people are interviewed to find out from them those things we cannot directly observe." Face-to-face interviews were useful for this study to receive understanding and perspectives about FSC and what people considered to be an appropriate certification for small growers. It gave the researchers an opportunity to clarify doubt and ensure that responses were clearly understood. The people that were interviewed were participants that exhibited leadership and were directly involved in timber farming. Interviews included small growers, forestry development practitioners, the buyers and FSC consultants. The total number of people that were interviewed was twelve. The research note book was also used to record observations, opinions and some theories.

Analysis of Data

The data collected during the interviews were recorded on a tape recorder and a cell phone was used as a backup. The interviews were conducted in IsiZulu as all the respondents were IsiZulu speaking. The recordings were later translated into English and transcribed into a word document using Microsoft Word.

Thematic analysis was applied as the data analysis technique in this study. Vaismoradi et al. (2016) define thematic data analysis as the method used to identify, analyze and report the patterns (themes) within the data. Vaismoradi et al. (2016) further state that thematic analysis is an independent and reliable qualitative approach to analysis. Ibrahim (2012) mentions that thematic analysis is mainly used to identify, analyze and report those themes or "patterns" that emerge throughout the document or within the data. The main reason for this selection for the study is based on its ability to break down data into smaller units of content, while capturing important aspects about the collected data in relation to the research questions.

The first process of data analysis through thematic analysis was the data reduction pro-

cess. All the data from the respondents were separated and grouped according to the objectives and the questions under each objective. To make clear distinctions of the responses, the responses were colour coded. The sentences were then key highlighted and broken down into smaller segments or themes.

Ibrahim (2012) stated that one of the important steps in thematic analysis is to evaluate the themes to ensure that they represent the whole text. In line with this, the identified themes were arranged in the form of reading data, scanned and organized in order of relevance. An independent reviewer, who is familiar with the subject, was engaged to verify the reliability of the themes before the themes were coded. The data were then coded in terms of common themes and categorized accordingly. The themes were interpreted in light of the literature and the purpose of the study.

Reliability and Validity

Bashir et al. (2008) mentioned that the term reliability in qualitative research is concerned with the extent to which the findings of a study are repeatable in different circumstances; while validity is the extent to which the data is credible and trustworthy and thus can be defended when challenged. To ensure that reliability and validity were achieved, the researchers documented all the data generated, including field notes and other sources of the data so that they can serve as evidence. The results of the study are indicated below.

OBSERVATIONS AND DISCUSSION

Data were collected from participants that exhibited leadership and were directly involved in timber farming. The participants included small growers, forestry development practitioners, buyers and the forestry consultant. Data was analysed using thematic analysis.

Research Objective 1:

The assessment of the FSC in relation to market accessibility by small scale timber growers. As a consequence of thematic analysis, the theme and sub-themes related to the research objective is depicted in Table 1.

Table 1: Theme and sub-themes of the research objective

Objective	*Theme*	*Sub-themes*
Assessment of the FSC in relation to market accessibility by small scale timber growers.	Market demand	Market availability Price determination Chain of custody

Market Availability

The market for timber, like any commodity, is driven by market availability. The international market remains an important market for pulpwood timber for South Africa. Lewis and Ngubane (2001) mentioned that, around early 2000, market access by the small growers in South Africa was a major constraint, especially for independent growers (growers that were not members of any company). They had no guaranteed market for their timber and only hoped to find buyers when timber was matured, sometimes even after it was harvested. At that time, the capacity of the mills was limited and was regulated via the strict order allocation and tickets system. These factors contributed to the challenge of limited mill capacity and the quality of the timber produced by the small growers, including the circumstances that led to timber being harvested, example, cash flow challenges.

Unlike before, the market for the small growers in Zululand is available, provided they meet certain requirements. With reference to the small growers, Respondent Three (3 August 2015) stated that *"They do have the market because there are four mills in Richards Bay, especially eucalyptus for pulp wood. In the past there were barriers, but currently there are none especially if the grower is an independent grower."* An independent grower is a grower that does not have any contractual agreement with any market, and can trade with timber produce in the best available manner provided he/she meets the market requirements. This statement is in congruence with a study conducted in the Malaysian palm oil industry (Martin et al. 2015).

Respondent Two (3 August 2015) emphasised that there are no barriers of entry to the market by growers. He stated that *"I can't see any if the verification was conducted properly. The mar-*

ket is there, there are not much barriers as long as the timber is legitimate." This was supported by Agasha (2015) when she mentioned that, "unlike other countries, the market for small growers in this region of Zululand is on the doorstep of growers."

Respondent Number One (29 July 2015) felt strongly about the market availability for small growers. He said that *"There are no barriers to the market. The market is open to small growers as long as they are compliant with the requirement of the FSC. But anyone who does not comply with FSC requirements as entrepreneurs, deserves imprisonment because FSC requires compliance with labour laws. Nobody wants to promote non-compliance with the laws of the land. That cannot be viewed as the barrier. If you don't want to comply with laws of the land and you want to abuse people, nobody will like to deal with you. That can't be a barrier. Therefore, there are no barriers to the market other than the challenges in terms of logistics, which also cannot be viewed as barriers. You cannot have a situation where you have a product, and you don't know where to sell it. However, certification might be a barrier for taking timber. Hence, that is why we have FSC cousin which is called controlled wood where the current market in South Africa does require 100% FSC timber. There is a mix. Also, the market works with FSC credits where the mix starts from 30%, there is a bigger room in the market place for the timber that is not coming from FSC certified sources. However, you need to comply with controlled wood in terms of legitimacy and laws of the land."* Juang et al. (2016) advocate that since the emergence FSC in the early 1990s, there have been expectations that FSC forest certification could support the delivery of valuable forest services.

On the other hand, Respondents Nine and Ten (7 August 2015), who are growers agree that the market is available to them, believe that there are limitations. According to them, "*sometimes when the mill has a shutdown, they normally see other trucks enroute to the mill. They are told that they have timber that is FSC certified. In this regard, I feel FSC is not only a barrier but might be an opportunity for the future."* So, small growers do see FSC as a barrier to market availability, while the forestry practitioners do not regard market availability as the challenge for small growers. This disparity, however, can be linked to the lack of knowledge from the growers. Similarly, Juang et al. (2016) claimed that while there are potential opportunities for certification, challenges such as scientific knowledge gaps do exist.

Dlamini (2015) acknowledged that there has been a huge improvement in terms of the market available for the small growers in South Africa. The reasons relate to the fact that most of the major companies do not have formal contracts with growers. It is similar to an open market system. Once the timber has been purchased by the mill, the researchers discovered that the mills pay what is known as the mill delivery price.

Price Determination

DAFF (2009) stated that forestry is seen as one of the economic strategic sectors with regards to economic growth and job creation. The study established that one of the driving forces around market demand for pulpwood is the price that is paid. The price is normally paid per ton. All respondents agreed that companies individually determine the price that they are prepared to pay for timber. In terms of price determination, Respondent Number One (29 July 2015) stated that *"The issue of the price is always interesting because for the same product, it does not attract the same price; if you were to compare KwaZulu-Natal and Mpumalanga Province, for example, the market forces in the particular area determine the price. There is no particular body that sits and determines the price; it is mainly the market forces."* Basically, the *"Market sets the price. Depending on the agreements between the market and the buyer (agent), growers get a relative price."* Similar sentiments were also echoed by Respondent Number Five (11 November 2015).

Respondent Number Four (3 August 2015) also mentioned that *"Right now, commercial companies do dictate the price. There is no framework. For the market to be fair and competitive, we need a framework that will represent small growers to bargain when it's time to sell timber. There is a willing buyer, willing seller of some sort. It is more of take it or leave it scenario."*

In another study conducted by Naidoo (2011) discovered that the price for wood export is determined through negotiations with overseas customers. Two important factors that af-

fect price are the exchange rate and the availability of wood from other countries. In 2010, for example, favourable prices were negotiated and more favourable prices were paid to the growers. This was largely attributed to the exchange rate having dropped to R7.31 to the dollar (Naidoo 2011). This was good news for farmers, following a drought of almost three years without any increase. Based on the above, it is acceptable that the market determines the price for the growers. However, the challenge is that the growers at grass roots level are not well versed with issues that are taken into consideration when determining the price.

Two issues that emerged strongly in this subtheme were the regulation of the price determination and competition. All the growers felt that it was a good idea to have a board that regulates the price determination as it is currently happening in other commodities such as the sugarcane and the red meat industry. Respondent Number Seven (7 August 2015) mentioned that the *"board will ensure fairness in the determination of price. As of today, we are not sure what are the factors that are taken into consideration when determining the price for timber? The growers have a strong feeling that the International markets pay competitive rates and these rates are not passed down to small scale growers."*

Respondent Number Two (03 August 2015), who has been involved in the timber farming by the small growers for many years as both the development practitioner and the buyer from the small growers, felt that the non-existence of a board to regulate the price created healthy competition, which is good for the growers. He stated that *"It's basically company by company when it comes to price determination. Some of the companies are competing among themselves. Three exporting companies sell to the same market. There is no board that determines the price and there is no need for that. If one day that happens, it will disadvantage the small growers. At this stage, the competition amongst the companies makes it easy for growers. As soon as the other increases the price, the other company will make other means to match the price."*

Although some of the respondents strongly condemned the formation of a board to determine the price in the forestry production space, growers were very vocal about the board in the timber industry. Respondent Number Eight (07 August 2015) mentioned that *"it might be a good idea in the future to have a board that will set the standard rate."* Jele (2012) mentioned that co-operatives are formed and resources are pooled together to enable small scale timber growers to negotiate the best prices and to access the market.

Moreover, the practitioners were divided as to who and how the price should be determined in the industry. Respondent Number Six (06 August 2015) said that *"Individual companies determine their price based on the share value of the product itself. Each company has its own policy of how to go about it. It is not governed by anyone"*. He then reiterated that *"Going forward, I feel it might be beneficial to have a body that will determine the price to minimise the exploitation. Although competition is encouraged, there should be a cap to regulate the price to a particular value. The price should somehow be capped to a certain extent. This will also help avoid monopolizing the industry, which comes at the detriment of the philosophy of trying to create forestry as the economic hub or vehicle for local communities."*

Based on the above discussion, it is evident that the issue of price is an important driver of the market in the forestry industry. In line with the FSC requirement, Chain of Custody is also a contributor to the market demand.

Chain of Custody

Chain of Custody (CoC) is defined by the FSC (2013) as *"an information trail about the pathway taken by products from the forest or, in the case of recycled materials, from the reclamation site to the consumer including each stage of processing, transformation, manufacturing and distribution where progress to the next stage of the supply chain involves a change of ownership."* It is used as a guide to ensure that the timber that is supplied to the mill meets the specifications of controlled wood. The five requirements for controlled wood ensure that timber is not illegally harvested; wood harvested is not in violation of traditional and civil rights; wood harvested in forests in which high conservation values are not threatened by the management activities; wood harvested from areas is being converted from the forests and other wooded ecosystems to plantations or non-

forest uses; and wood is obtained from forest management units in which genetically modified trees are planted.

The chain of custody process drives the market demand as well. Respondent Number One (29 July 2015) mentioned that *"With the link to FSC, CoC is concerned with legitimacy for the timber ownership and also the compliance of that timber with principles of the FSC."* Respondent Number Five (11 November 2015) stated that CoC is concerned with ensuring that the timber is *"Supplied on a legitimate "ticket" issued by the company buying the timber. If certified, the company buys timber from small growers, it does that under the controlled wood requirements of the FSC. If the timber does not contravene the five requirements of controlled wood, the timber is deemed acceptable to the market."*

For timber that is used for pulpwood, Respondent Number Six (07 August 2015) said that *"It is important that there should be a similar standard chain of custody. Given the high incidents of timber theft, we need to look at agreeing to how we need to procure or accept the commodity itself. It must meet certain criteria, or certain standards, for example, the despatch or timber source - the legality becomes very critical. This should be met by both the buyer and the seller."*

On the other hand, the growers do not have a full understanding of CoC. As much as they do understand that the timber should come from a legitimate source, they were not aware of all the other requirements of controlled wood. All the growers mentioned that the buyers of timber will try and establish whether they do have any contracts with other buyers and whether they do have a permit to occupy land from traditional authorities. The growers acknowledge that this is important to ensure the legitimacy of timber and to increase their market share in the pulpwood market. Lewis and Ngubane (2001) also mentioned that the small growers see compliance with National Standards and certification operations as the potential opportunity to increase demand for the timber. Respondent Number Two (03 August 2015) confirmed such compliance and alluded to the fact they *"double check if the timber is not contractually bound to someone else before you buy it. We also check the quality of the timber where it is planted, to avoid the timber being rejected at the mill. That includes the size and whether the timber is matured or not. With regard to silvi cultural practices, they normally get guidance when they (growers) start establishing the woodlots."*

Based on the above sub-themes, market demand is an important factor in the small growers' timber farming. The contribution of the FSC in improving forestry management is equally important.

This objective relates to the market access by small growers and the impact of the FSC. All the respondents confirmed the secondary data that the timber from small growers is mainly used for pulpwood timber, which is sold to the international market. As much as the market is available at the moment for small growers through controlled wood (cousin of the FSC), the issue of price determination and FSC remain challenges for small growers. The forestry practitioners and consultants felt that it is healthy not to have a body that regulates the price for timber in South Africa. They also felt that depending on the demand from international markets, FSC will not be a market barrier of timber for small scale growers in the future since there are no other initiatives by the forestry industry in South Africa to look at other alternatives.

CONCLUSION

The aim of this research was to assess the impact of the FSC in relation to market accessibility by the small scale timber growers. The study adopted a qualitative approach and collected data from 12 participants. The qualitative research technique was chosen because it provided a rich explanation and recognised different role players' perspectives to the phenomena. In this study, the qualitative technique was used on the basis that the research question was exploratory as it sought to assess the impact of the FSC in relation to market accessibility by the small scale timber farming in the KwaZibi Area, which was regarded as a complex situation, and the literature availability on this topic was limited. The researchers acknowledge that the study was conducted in a relatively small area as far as the small grower's community is concerned. A wider representation of the total area under the small growers would have a greater variety that would reflect the views of the small scale timber growers at provincial and national level. Further studies should focus on the design of an appropriate body that will represent

the interest of the growers to ensure that their voice is heard in the decision making of the industry, in so far as the market and price determination are concerned.

RECOMMENDATIONS

While there are no other alternatives to the FSC at the moment, it is, therefore, recommended that the forestry industry should look at forming a body that will assist small growers with regards to price determination and certification-related issues. As much as the role of Forestry South Africa (FSA) is acknowledged, this body will only represent the growers' affairs as opposed to the entire forestry industry. It will also enhance the timber production for the small growers and ensure fairness in the timber industry.

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