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Opinion: Brazilian forestry sector leads through products and sustainability

by Paulo Hartung, Ibá*

Brazil is an environmental power with competitive differentials in the segments of planted trees as well as the products coming from them, including pulp and paper. We are the world's second-largest pulp producer, exporting 21.1 million tonnes per year, and some companies have a cash cost of less than \$200 per tonne. The industry also has an investment pipeline of Real 32.6 billion (\$7.9 billion) for expansions by 2023, which represents approximately \$8 billion to construct seven new factories and develop forest assets.

This sector, which is set apart by its high productivity, built-in technology, best practices for forest management, and modern production facilities, still has a desire to grow; it is investing in new operations and developing new products. During this round of expansions, a strong movement towards specialty dissolving pulp production can be seen, with two new factories planned. Furthermore, Walter Schalka, president of Suzano, the largest company in this sector, has spoken publicly of the company's interest in moving into production of textile fibers from cellulose, using innovative technologies to generate even more value from environmental assets.

This portfolio growth and diversification comes along with making the right choices. The Brazilian forest sector has been driven by sustainability principles, going beyond legal requirements. It should be noted that Brazil has one of the most robust regulatory frameworks in the world with regard to environmental conservation.

One example is the Forest Code, which ensures preservation of natural areas adjacent to water bodies to conserve water resources and biodiversity; and Legal Reserves, which vary from 20% to 80% of rural property areas (depending on the biome) and should preferably be covered with native vegetation and can also be put toward sustainable economic uses.

Furthermore, the sector voluntarily adopts internationally recognized standards to implement systems that guarantee a responsible origin for its products. These standards feature robust requirements and third-party audits, all of which attest compliance with the highest social, environmental, and economic standards.

In Brazil, there are 7.83 million hectares of planted trees and 5.6 million hectares of preserved areas. Of this total, 6.3 million hectares are certified, including productive as well as preserved land. The total certified area of planted trees is 3.5 million hectares, a 9.4% increase over the total certified area in 2017.

Nowadays, there are three standard-based systems: the Forest Stewardship Council (FSC), International Organization for Standardization (ISO), and Programme for the Endorsement of Forest Certification (PEFC).

PEFC operates in Brazil endorsing Cerflor (the Brazilian Forest Certification Program) which utilizes standards developed by ABNT (Brazilian Association of Technical Norms) and accredited by Inmetro (the Brazilian National Institute of Metrology, Quality and Technology) for forest management and chain of custody. Cerflor's standards are developed through benchmarking against PEFC's international standards, which allows nationally adapted and relevant requirements. PEFC is the largest certification schemes by the numbers, with 311 million hectares of certified forests and guaranteed traceability for 20,000 companies worldwide.

FSC is an international, independent non-governmental organization which was founded in 1993 to establish universal principles for ensuring good forest management being known for its international credibility.

More recently, ISO, the largest developer of voluntary international standards, also entered the field of standards for forest-based industry. In 2018, the ISO 38200 standard was published to establish chain of custody requirements for wood and wood-based products, in order to ensure traceability and allowing businesses to make verifiable claims about the origin and potential specific

characteristics of their products. One differential of this new ISO standard is its affordability for small and medium-sized producers who simply wish to demonstrate the legality of their operations and products to stakeholders and customers.

This year, the ISO member countries approved the establishment of Technical Committee 287 (TC 287) which will develop standards adapted to the specifics of this sector to help demonstrate its potential as a supplier of solutions and sustainable, renewable, and biodegradable products to society, strengthening its position in the bioeconomy agenda.

The Brazilian Tree Industry Assn. (Ibá) welcomes and supports this brand-new approach involving standardization, and reinforces its commitment to supporting various innovative solutions in order to strengthen the competitiveness of the forestry sector. Soon the sector will carry out a study to more thoroughly assess the FSC, PEFC and ISO's Chain of Custody requirements in order to improve and facilitate its implementation, expanding the volume and portfolio of products with guaranteed origins in the market.

This is a sector that helps conserve biodiversity, reduces greenhouse gas emissions by sequestering and storing 4.2 billion tonnes of CO₂eq, recycles 68% of paper, and has achieved an 82% share of renewable energy in its power grid; it is one of the sectors that is best suited to help the world in the fight against climate change. It thinks big on an international scale, but also operates locally with care and attention, supporting outgrowers programs and social projects involving more than 1.5 million people and generating jobs and income for another 3.8 million in about 1000 municipalities and 23 states. In the world of the bioeconomy, responsible consumers will demand certifications and labels, and investors will also seek out green investments. Brazil's planted forest sector is a leading actor and a pioneer in this world.

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