

BRANDING AND MARKETING TRIBAL FOREST PRODUCTS

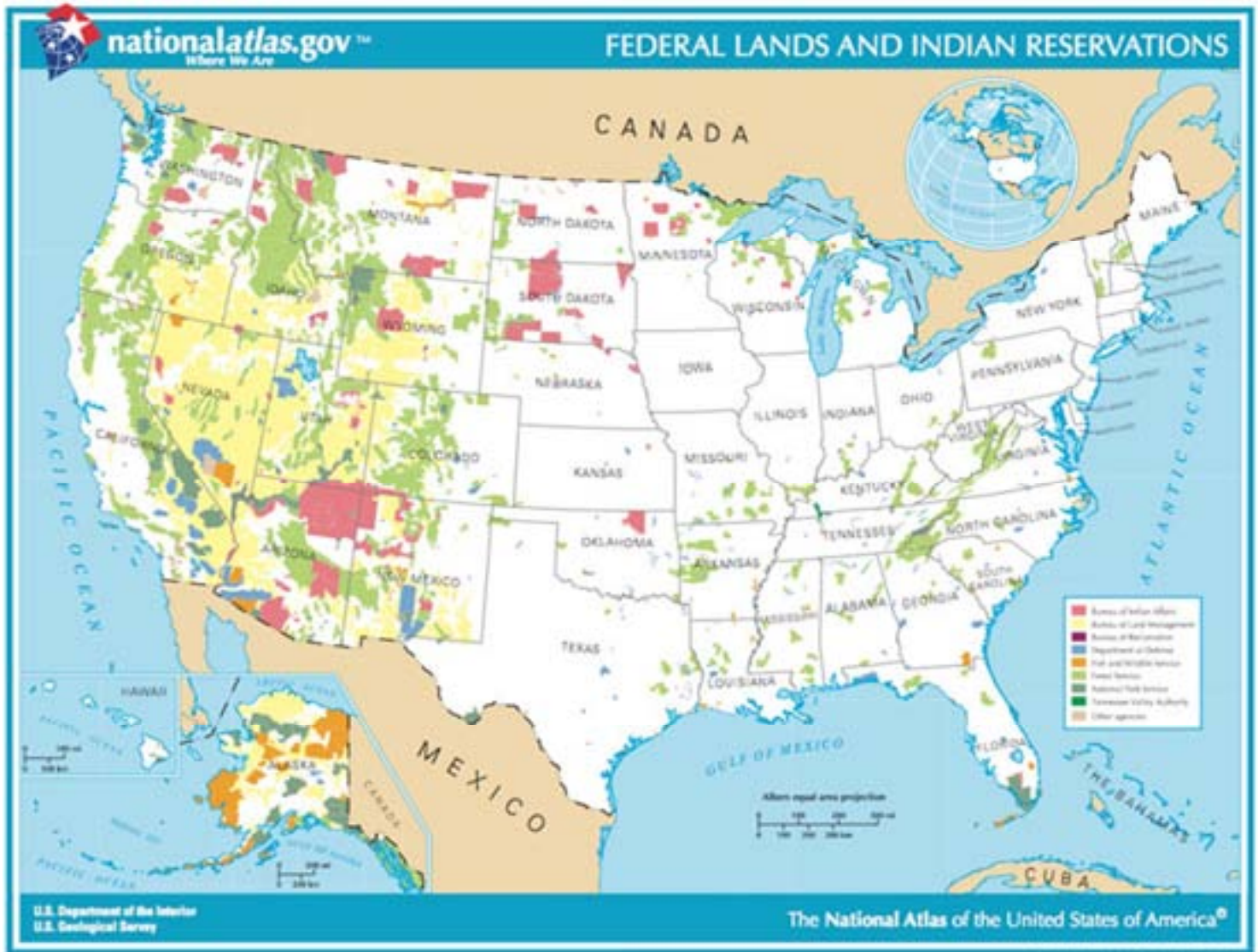
“Your Story Is Your Brand...”



Volume I. Synthesis

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More than 300 Indian Reservations (pink) in the Continental United States and one reservation in Alaska encompass a total of approximately 56 million acres of land. Over 200 Reservations are forested, containing more than 7.7 million acres of timberland and another 10.2 million acres of woodlands. Indian forestlands are not public, but are rather held in trust by the United States for the use and benefit of Indians. The Federal government has fiduciary trust and statutory (National Indian Forest Resources Management Act, Title III, PL101-630) responsibilities and obligations to ensure the sustained health and productivity of Indian forests. Today, tribal governments are increasingly making their own resource management decisions and influencing the management of neighboring federal lands. Not depicted on this map are the forestlands owned and managed by Alaska Native Regional and Village Corporations in fee status as part of the 44 million acres of land selected under the Alaska Native Claims Settlement Act (43 USC 1601 et. seq.).

Front cover: Mescalero Indian Reservation (New Mexico). Photo courtesy of Jim Petersen, Evergreen Foundation

These huge ponderosa pines grow on the Mescalero Indian Reservation in the mountains of New Mexico. Before this site was mechanically thinned, it was impossible to stand beneath these monarchs, much less photograph them. The health of the forest was improved by removing the smaller trees to reduce the risk of loss from wildfire, insects, and disease.

IMPORTANCE OF FORESTS TO TRIBAL COMMUNITIES

"Indian tribes are here to stay. We will not sell our land or shear down our forests during wavering economic times and relocate our operations elsewhere. Our ancestors - our culture - are committed to the land upon which we live. We have become new pathfinders searching for ways to revitalize our environment and thus our communities. When our work is done, our greatest honor is not in what we celebrate in ourselves today. The greatest honor lingers in the future when our grandchildren will stop and say, 'Our elders, our grandmothers and grandfathers, did do it right.' They will enjoy the success of our lifetime in their future."

Jaime Pinkham (Nez Perce, former ITC President, 1995)



Warm Springs Tribes, OR. Photo courtesy of Cal Mukumoto.

The Americas were shaped by the stewardship of indigenous peoples practiced over millennia. Since the 1800's, tribal influence on the landscape diminished as they were displaced from their homelands and European concepts of property ownership drove development and settlement. Today, Indian tribes manage only a small fraction of the territories they once occupied. Unlike other forestland owners, Indian peoples have an intergenerational cultural commitment to continuation of stewardship practices in perpetuity. To Indian peoples, forests provide for many forms of life, all of which are interdependent and essential to one another. Contemporary Indian forest managers combine traditional practices with western science so that the land remains healthy, cultural lifeways are preserved, and revenues and jobs are sustained. Tribal resource management practices are and have always been based upon a unique integration of cultural, environmental, and economic values. This approach provides for the needs of their communities and contributes many public benefits and ecosystem services for the broader society.

Table of Contents

Page	
ii	<i>Project Team</i>
v	<i>Acknowledgements</i>
1	<i>I. Introduction and Purpose</i>
3	<i>II. Investigative Approach</i>
5	<i>III. Key Findings and Conclusions</i>
19	<i>IV. Team Recommendations - Tribal Guidance</i>
33	<i>Glossary</i>



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Idaho Forest Group resulted from the merger of Riley Creek Lumber and Bennett Forest Industries merged in September of 2008, both long-time family-owned and operated companies, focused on serving their customers and employees, investing in their facilities, and remaining committed to their forest products heritage. Supervised the design, construction and operation of Bennett Forest Industries new sawmill at Grangeville. Athol, ID.



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CONTRIBUTIONS:

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To Sealaska for graciously hosting meetings of the Study Team at their corporate Headquarters in Bellevue, Washington and generously enabling staff, Nicole Tillotson and Dennis Gray Jr., to lend their valuable expertise, practical experience, insights and advice to support the Study.

To Idaho Forest Products Group for inviting the ITC to tour of one of its sawmills near Coeur D'Alene Idaho to obtain a first-hand view of a modern manufacturing facility in operation and providing counsel and advice from a leader in the Northwest forest products industry.

To International Forest Products for allowing Jim Haas to continue working on the Study after he joined the firm as its Director of International Trade and Development.

To Brian Milakovsky and the Yale School of Forestry and Environmental Studies for their continuing interest in Indian forestry and products marketing.

To the many tribal leaders, forest managers, and enterprise staffs for participating in the surveys and sharing their perspectives during interviews.

To the many representatives of the forest products industry, wholesale lumber associations, and wood purchasers who responded to our survey and consented to participate in telephone interviews.

To the Oversight Committee comprised of representatives from the Intertribal Timber Council, Bureau of Indian Affairs, Confederated Tribes of the Colville Reservation, Confederated Salish & Kootenai Tribes, Menominee Tribal Enterprises; Yakama Indian Nation, and White Mountain Apache Tribe, for providing guidance as the Study developed.

To the late Joann Reynolds and ITC Staff for providing administrative support for the Study.

I. INTRODUCTION AND PURPOSE

During 2009, the US unemployment rate rose above 9%; housing starts dropped to less than 500,000 per year (compared to 2006 housing starts of greater than 2 million); home foreclosures continue to increase (more than 800,000 for first quarter 2009); and Random Length composite lumber price dropped below \$200 per thousand board feet (MBF).

In FY 2005, the Colville Tribes, Warm Springs Tribes, and the Yakama Indian Nation had a combined timber value of \$44,800,000 that helped support tribal governments, their communities and the communities outside the reservations. In FY 2009, as displayed below, those Tribes estimated that the value for timber dropped down to \$6,800,000 for a loss of approximately \$38,000,000 or 86%.

Program	ACC MMBF	Harvest 2005	Value 2005	\$/MBF	Harvest 2009	Value 2009	\$/MBF	Loss
Yakama	143,000	129,596	\$23,888,366	\$184.33	85,000	\$3,060,000	\$36.00	-\$20,828,366
Colville	77,000	82,184	\$12,435,730	\$151.32	64,490	\$1,289,800	\$20.00	-\$11,145,930
Warm Springs	41,900	55,272	\$8,415,722	\$152.26	43,161	\$2,500,000	\$57.92	-\$5,915,722
Total	261,900	267,052	\$44,739,818		192,651	\$6,849,800		-\$37,890,018

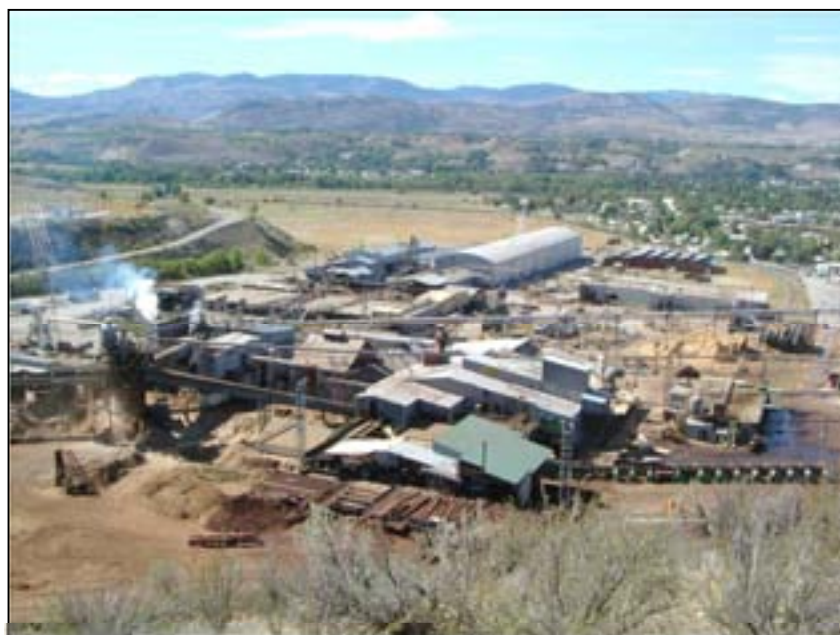
FY2005 data was from the BIA Indian Forestry Status Report to Congress. FY2009 data was from phone interviews with John Stensgar, Councilman, Colville; Steve Andringa, Tribal Forester, Yakama, and Doug Manion, Forest Manager, Warm Springs. The Tribes have reduced the stumpage by resolution to support their sawmills.

A state of emergency exists in many forest-dependent Indian communities. Depressed markets for forest products have led to the loss of economic and employment opportunities, lower stumpage revenues to support tribal programs and provide services, and reduced funding for forest management, threatening the health of the forests themselves, jeopardizing the water, fish, wildlife, foods, and medicines that are vital to sustain tribal lifeways.

The timber crisis adds to suffering already being experienced in Indian Country as a result of the current economic downturn. Nationwide, tribal economies have a 50% average unemployment rate (BIA Indian Labor Statistics) and tribes with gaming

operations have experienced a 20% reduction in revenues.

Indian forests produce trees with large diameters and lumber with tight grain, special qualities that should command value even in poor markets. Indian resource management is based upon a unique integration of cultural, environmental, and economic values that sustain many public benefits and ecosystem services. However, these important considerations are not recognized or rewarded in the marketplace. Historically, tribal forest products (TFPs) have generally been sold as commodities with little to distinguish or differentiate them from those produced by others.



Colville Tribes sawmill, WA. Photo courtesy of Randy Friedlander.

At the 2009 National Indian Timber Symposium in Lewiston, Idaho, ITC's members expressed broad support for undertaking a cooperative investigation of the potential for a branding and marketing program to help tribes contend with the hard times confronting the forest products industry.

Later that year, both the Affiliated Tribes of Northwest Indians and National Congress of American Indians passed resolutions requesting that the United States take action to address impacts on tribal communities resulting from the depressed timber market.

A Branding and Marketing Study (Study) Team, led by Gary Morishima and comprised of partners from Indian Country, academia, and private industry, was organized and a scope of work prepared. An oversight committee of veteran Indian enterprise professionals was established to provide guidance as the Study developed. Investigations into the potential for a marketing and branding program to increase the presence and value of tribal forest products (TFPs) in the marketplace based upon heightened recognition of the unique qualities that interweave utility, cultural heritage, and environmental protection were initiated in January 2010.



Tanana Chiefs, AK. Photo courtesy of Larry Mason

Modern tribal management of natural resources is guided by traditional wisdom accumulated through millennia. The result is a unique and enduring model for stewardship and adaptive management. The products from Indian forestlands extend from logs and lumber to florals, medicinals, and cultural foods. Indian forestlands also offer rich renewable energy potential and provide desirable environmental services like watershed protection. The Study investigated the value of branding and marketing of solid wood products and opportunities for using non-timber forest products, potential promotion of ecotourism, and improving economic efficiency and competitiveness. It is hoped that greater visibility for TFPs and services will ultimately help to spur economic investment in troubled tribal economies while increasing public recognition of the many important cultural and spiritual values that Indian peoples bring to the broader society.

STUDY OBJECTIVE

Determine if market premiums can be commanded by branding and marketing initiatives that differentiate TFPs by virtue of unique cultural, environmental services, public benefits, and product quality values provided through Indian forest management.

REPORTING

At a plenary session and a special membership meeting during the 2010 ITC National Indian Timber Symposium in Ruidoso, NM, the Study Team presented preliminary results which suggested several potential opportunities to augment revenue streams generated by Indian forest management. Gary Morishima summarized the Study findings again in May 2010 for forestry professionals attending the BIA NW Forest Managers Meeting in Spokane, Washington.

The Branding and Marketing Report is presented in two volumes. Volume I is a synthesis, written in a condensed form intended to efficiently convey key points of findings, conclusions, and recommendations

while identifying key issues needing policy guidance from tribal leadership.

Volume II, available upon request from ITC, contains detailed information on methodologies, findings, and discussions in the form of individual topic module summaries. For readers interested in additional information, references pertaining to each topic module are provided.

Electronic copies of both volumes are available on ITC's internet site www.itcnet.org

The Study Team sincerely hopes that this body of information will prove useful in realizing new market benefits for TFPs.

II. INVESTIGATIVE APPROACH

Indian management approaches have been gaining recognition as federal and state resource agencies struggle to sustain healthy forest ecosystems. However, although acknowledged, Indian forestry programs have not been adequately rewarded. For example, Indian management programs receive a fraction of the per acre funding support as compared to the USDA Forest Service.



Tulalip, WA. Photo courtesy of Larry Mason

OVERVIEW AND MAIN OBJECTIVES

The six main topical areas of the Study are summarized in the table below along with Team members with lead responsibilities for investigation. Main objectives include determination of interest in participating in a TFP branding and marketing program and/or a tribal forest certification program; identification of the main attributes that could form the foundation of a TFP brand; and development of a set of Team recommendations and potential action steps for consideration by the ITC membership.

Since Indian lands are managed for many market and non-market values, extended rotations are common. As a result, Indian forests produce logs with unique qualities such as fine grain and large diameter. Yet, TFPs have generally not been differentiated in the marketplace. High transportation costs further challenge revenue recovery from sale of TFPs, as many reservations are far distant from forest products distribution centers. Historically, limited marketing opportunities have meant that sales of TFPs have not received compensation even equal to that of their non-Indian counterparts.

An important question: If the special physical and intrinsic attributes of TFPs were better known, could market benefits be realized?

Our overarching hypothesis is that the many public benefits provided by Indian forestry sum to a compelling "Indian story" that, when effectively told, should be worthy of product price premiums from an informed and environmentally-responsible market place.

To test this hypothesis, this Study was designed to learn more about the level of cooperative market interest among Indian forest and enterprise managers, the receptiveness of commercial markets to the differentiation of TFPs, the types and volumes of products produced by tribal enterprises, and the spectrum of potential revenue-generating opportunities from Indian forests (i.e. domestic/export, logs/lumber, certified wood, non-timber forest products, and more).

"Tribes need to remember that their story is their brand. It's already there and requires no money to develop beyond the cost of telling the story day in and day out in consumer and news media markets that have already signaled their desire to hear the story. Based on what I have observed in the 30-plus years that I have been writing about forestry and wood products manufacturing, I continue to see enormous public value in the way tribes balance environmental and economic imperatives on their lands. Yet save for the pages of Evergreen Magazine, this enormously positive story is rarely told, and that's a shame. It would not take much effort to create the necessary media relations program."

Jim Petersen, Executive Director, the non-profit Evergreen Foundation

Study Component	Lead
Organization, Coordination, & General Administration	Gary Morishima
(1) Identify the interest in participating in a TFP branding program, and develop an inventory of available products (logs, manufactured products, non-timber forest products), processing capabilities, species, locations, etc.	Ivan Eastin Indroneil Ganguly
(2) Determine the level of market interest in TFPs, identify opportunities to distinguish TFPs in the marketplace through branding and marketing, describe the features that could add value, and quantify the magnitude of any potential market premiums. Investigate Export Markets. Develop Stump to Market Description.	Jim Petersen Jim Haas Wade Zammit Dennis Gray Jr
(3) Identify requirements for branding TFPs (e.g., product standards & quality assurance controls, reporting), opportunities for regional branding, and alternatives for defraying costs (e.g., organizational frameworks, use of trademarks, labeling fees).	Larry Mason Nicole Tillotson
(4) Identify and evaluate alternatives and opportunities for marketing TFPs (e.g., individual tribal programs, regional multi-tribal consortia, internet-based matching of buyers and suppliers, fee-based brokerage & sales services), public awareness campaigns to increase market presence and shares, niche markets.	Jim Petersen Scott Atkison
(5) Identify and evaluate alternatives for certification (forest and finished products) for TFPs, (chain of custody, sustainability for domestic and foreign markets).	Vinnie Corrao Larry Mason
(6) Identify and investigate other opportunities to increase income from TFPs and management such as non-timber forest products and environmental services.	Larry Mason Jim Freed

III. KEY FINDINGS AND CONCLUSIONS

“The Indian story appears to have legs in niche markets, but there probably isn’t enough momentum in the story to carry the day in commodity markets. But before tribes embrace branding and marketing, they need the tools and the capital necessary to maintain a market presence during good times and bad, correct administrative problems that make them less competitive in volatile markets, and maintain a business focused on low cost of production and reliability of supply.

With disappearing milling capacity and the forest land base in flux with reduced federal presence and changing industrial and small ownerships, tribes could become a pivotal force in maintaining harvesting, transportation, processing, and professional infrastructure necessary to keep working forests on the landscape.

Holistic stewardship and multiple economic, cultural, and spiritual values are unique and important, but permanence on the land and in the forest products industry (potentially providing eco-services) may be the most compelling story for tribes to advance.”

Gary Morishima, Branding and Marketing Study Team Leader

Tribal resource management and stewardship have been acknowledged as models of sustainability, but are not currently rewarded in the marketplace. There is an opportunity to differentiate TFPs in the marketplace because of unique management practices and cultural mystique. However, while the Indian story has intrinsic appeal, investment in new initiatives will be required to inform the marketplace, increase market recognition, and improve revenue streams.

The capacity to earn higher revenues will be critical to the ability to continue management practices so as to sustain economic and ecological benefits over the long term.

New market approaches for TFPs are needed

Green marketing may provide expanded access to domestic building contractors. Emerging markets in countries such as China and India may hold promise for tribal wood producers located within delivery distance of ports. Limited opportunities may also exist for artisanal manufacture of high value products for low volume, high quality, niche markets. Some customized

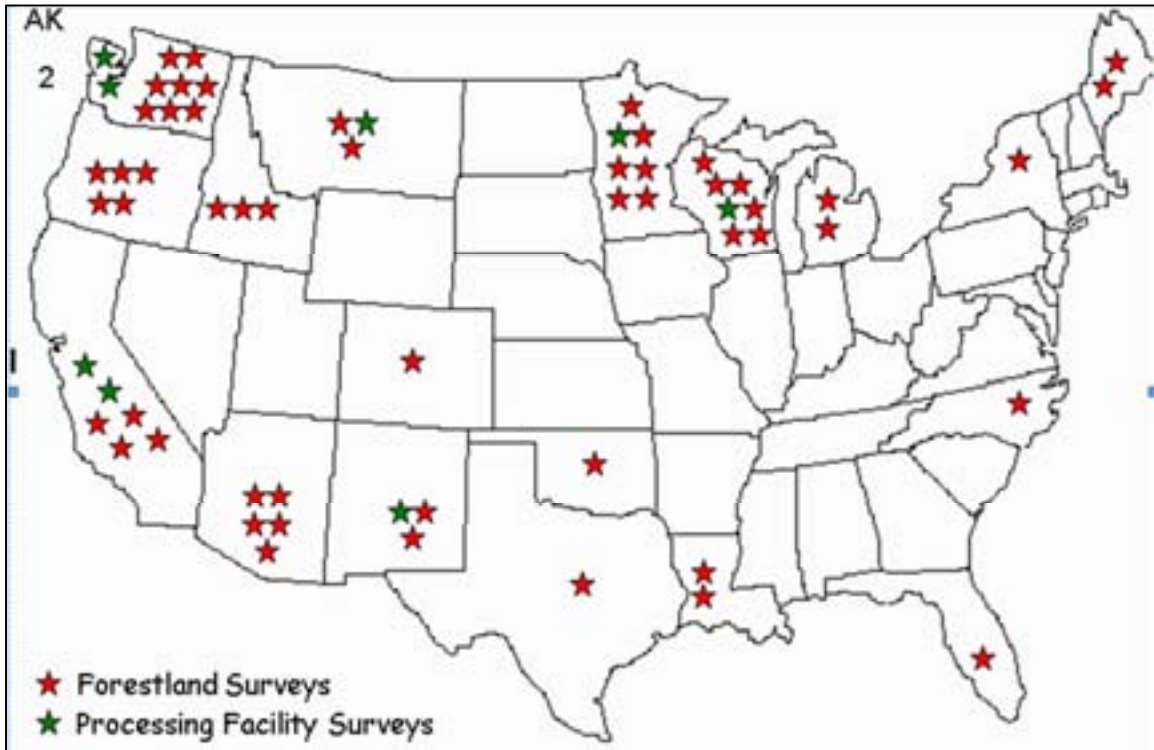
Declines in housing starts and lumber prices are taking a toll on Indian forestry programs. Current economic circumstances are leading to the imminent loss of essential harvesting, transportation, and manufacturing infrastructure in the forest products industry, further reducing market options and value returns. Most of the remaining processing infrastructure is located in transportation corridors often distant from reservations. High volume, high efficiency commodity manufacture has become characteristic of most domestic lumber production, but very few tribes have the resources to compete in these markets.

market opportunities may be best served by individual enterprises while others may benefit from cooperative market programs.

A survey conducted under the Study was undertaken to obtain information from forested reservations and Indian forest enterprises throughout the United States. Locations responding to the survey are depicted below.



Forest products manufacturing photos courtesy of Jim Dooley, Grant Sharpe, Larry Mason



One of the main objectives of the Study was to identify interest in cooperative programs that could work to increase the competitiveness of TFPs in the marketplace. Survey respondents expressed the highest level of interest in the development of a TFP

brand followed by a tribal forest certification program while the least interest was expressed in developing cooperative marketing. More than half of all respondents expressed interest in all three.

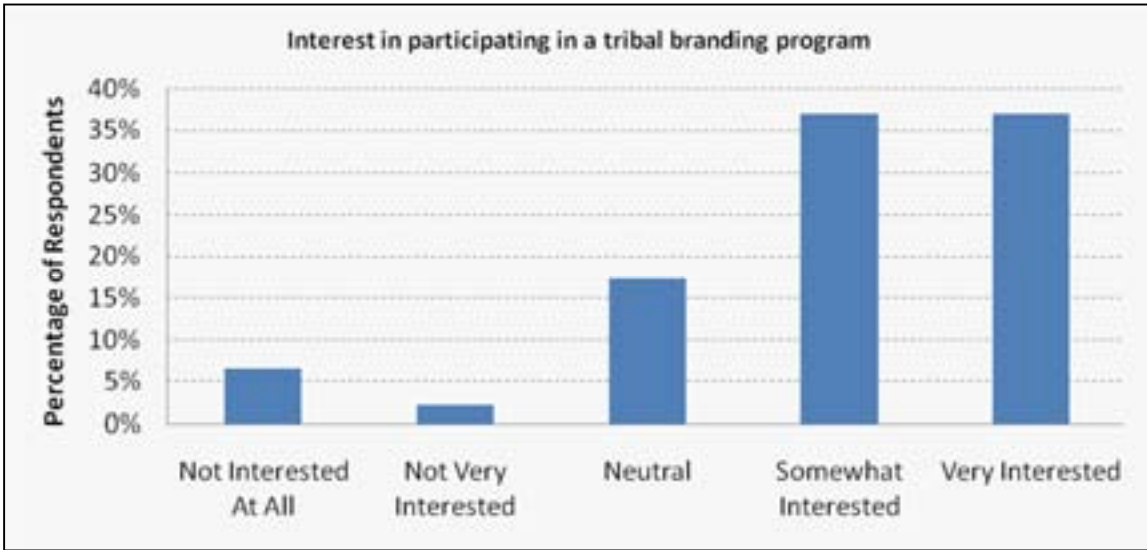
A Brand for TFPs

Brand development and promotion could raise the visibility of the unique attributes of TFPs and benefit all Indian producers, large and small.

A successful brand is an attractive and memorable symbol employed to trigger customer recognition of product quality, historical context, manufacturer integrity, environmental responsibility, and other positive attributes. Customer brand recognition should ultimately result in benefits to producers that include increased market share and/or price premiums.

TFPs are harvested from sustainably managed forests on Indian lands that produce many market and non-market values (i.e. products, employment, economic returns, forest health, wildlife habitats, ecosystem services, carbon sequestration, cultural values, and other public benefits). In addition to potential market benefits, a TFP brand, subscribed to by many Indian Nations, could become a powerful symbol of pride, unity, and common purpose as well as a new basis for partnerships with the US government for environmental education and stewardship. The brand is the symbol of intergenerational cultural commitments to stewardship responsibilities that originated thousands of years before European arrival in North America.

Strong interest has been expressed in the development of a TFP brand.

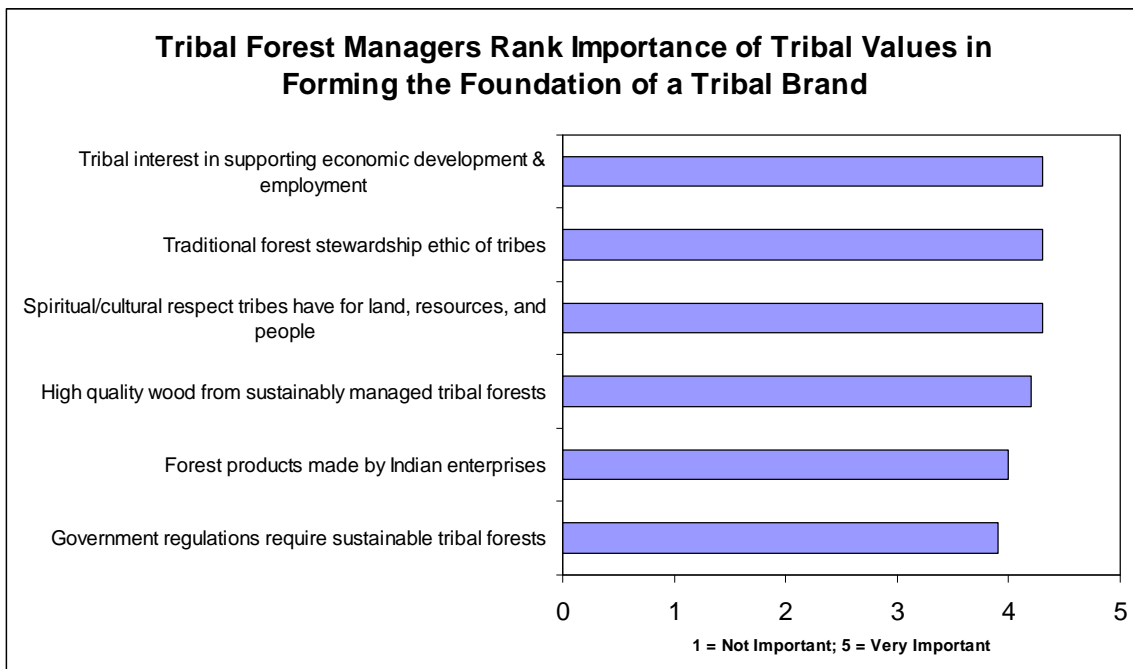


A survey of Native leaders and forest managers indicated strong interest in pursuing a brand to symbolize the tradition and culture of Indian forest stewardship. In response to questions designed to assess interest in participating in a TFP branding program that would emphasize the unique social, cultural, environmental, and economic values of Indian forestry programs, 72% of the respondents expressed some interest and 36% indicated strong interest, while the percentage of respondents indicating that they were not interested was less than 10%.

Cooperation will be needed for TFP branding; a collective entity would be needed to help facilitate development, organization, and promotion capabilities. If a TFP branding initiative is to be undertaken, funding must be secured, perhaps a combination of outside and internal support would be most effective, provided new economic burdens for struggling enterprises are avoided. Immediate returns from branding development may

be elusive. Once begun, the branding program must enjoy committed and enduring support.

Indian forest managers were asked to assess the comparative importance of a set of six attributes in forming the foundation for a TFP brand to communicate core values and effectively differentiate them from competitors. All six of the attributes were perceived as being important with average importance ratings ranging from 3.9 to 4.3 (1 = not important and 5 = very important). The highest rated attributes were: 1) the traditional forest stewardship ethics, 2) spiritual and cultural respect for the land, resources, and people, 3) interest in supporting economic development within their community and providing employment opportunities for tribal members, and 4) the high quality wood that is harvested from sustainably managed Indian forests.





Salish Kootenai, MT. Photo courtesy of Pat Pierre, Ma'ii Pete, Matt Ratledge, Indian Country Today.

“That tribes want to employ their members is admirable, but at what price? Is it better to employ members in money-losing mills that cannot compete without multi-million dollar retrofits that are not forthcoming? Or would it be better for tribes to invest their scarce capital resources in timber stand improvement and forest certification. I think the latter. Branding logs through the certification process enlists the support of technologically advanced mills that already have well-developed lumber markets and well-earned reputations for quality, price, service, reliability and on-time delivery.”

Scott Atkison,
President, Idaho Forest
Group

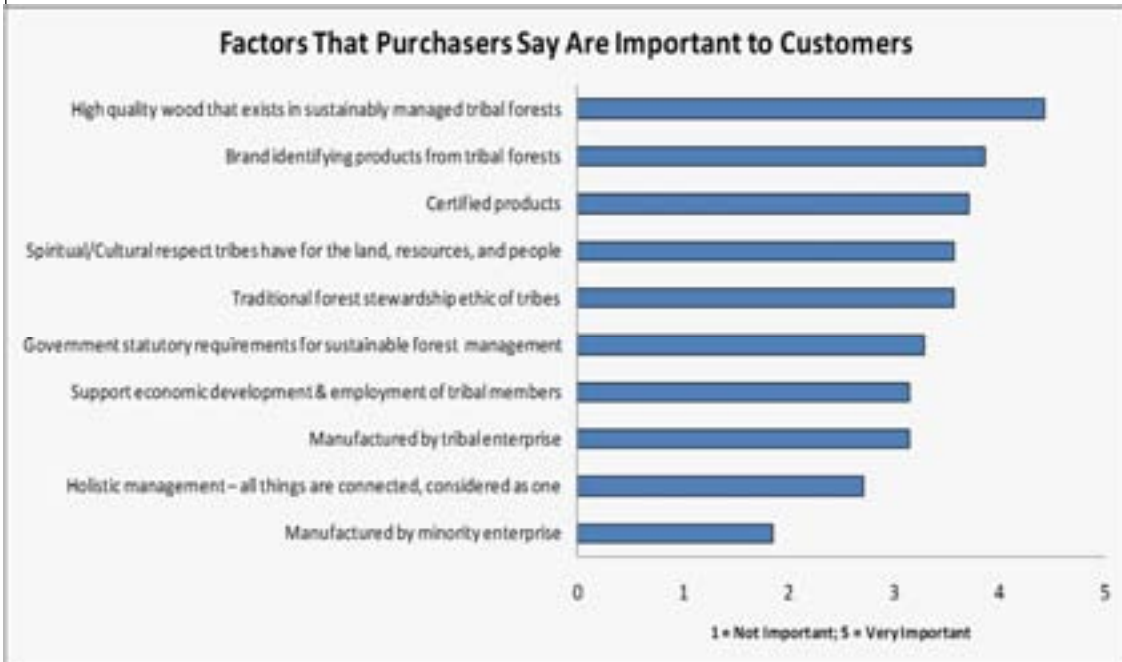
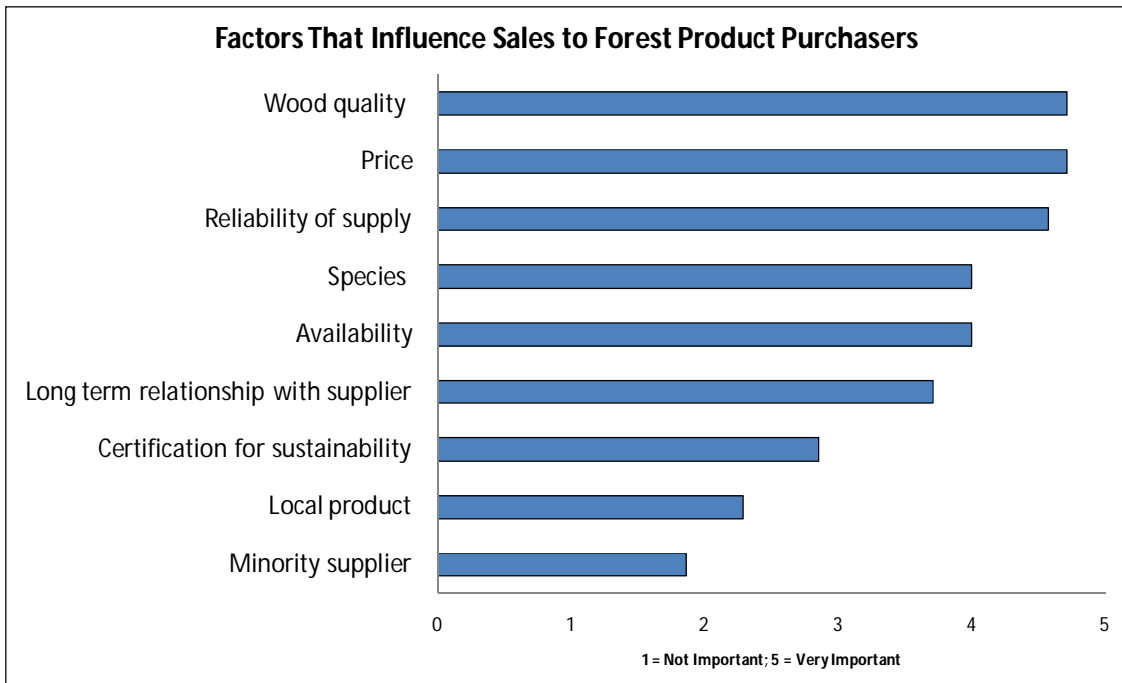
display responses of wholesalers identifying desirable attributes of TFPs and their perceptions of the appeal of product attributes to customers. While quality remains of greatest importance for both surveys, the perceived potential consumer significance of other TFP attributes is interesting. After product quality, the next four most important attributes of TFPs all have to do with the inherent connection between stewardship (attribute importance nos. 2,4,5) and assurance that the product is “green” (no. 3). These results are consistent with other written and oral responses obtained during the Study indicating that log and lumber traders generally believe (and expect that the public also believes) that Indians do a good job taking care of forests. However, market reward for environmental responsibility may not

A series of interviews with commercial purchasers of forest products was undertaken to identify factors that influence purchasing decisions and to obtain insight into qualities believed to be important to their customers. The value of the Indian story received mixed reviews. Some respondents, including large volume purchasers, felt there could be long-term benefit from promotion of a TFP brand; others were skeptical. Two graphs, provided below,

be readily forthcoming. There was general agreement amongst respondents that price premiums were unlikely to be generated by promotion of the Indian story.

What makes Indian forest products special?

- *A deeply felt covenant between the people and the land*
- *Stewardship of natural resources to meet the needs of today and future generations.*
- *Integration of best available science with traditional knowledge gained over countless generations of living with the land and its resources.*
- *Management for economic, ecologic, cultural, and spiritual values.*
- *Sustained yield management ensured by federal statutory requirements*
- *Forest management that yields high-quality logs and fine grain lumber in many dimensions and species – products of forests that are allowed to grow longer.*



The Study Team concludes that, although the Indian story may have potential in the marketplace; the most important purchasing priorities for commercial buyers remain price and quality; not brand recognition. However, when price and quality standards are indistinguishable between competitors, a powerful brand presence could swing the sale to TFPs.

Registration of a TFP brand as a legal trademark (brand) can be accomplished quickly and

inexpensively. More difficult and costly challenges, however, occur before and after the brand registration. First, a brand concept and identity must be created and linked to a conceptual strategy for promotion. Second, a market development program will need be implemented to acquaint the public with the brand identity and to promote the desirability of TFPs associated with the brand.

Your story is your brand...

Forest Certification:

Another form of branding that may hold potential is forest certification. There is increasing social and political pressure to compel wood producers to certify logs and lumber as proof of environmental responsibility. In order to maintain access to some markets, forest landowners have sought certification of their management practices as environmentally responsible and sustainable. Certification is becoming more important as federal, state and municipal procurement policies reflect preference for timber products sourced from sustainably managed forests. The two major green building programs in the US award points for projects that source timber products from certified forests.

There are two types of certification: Chain of Custody (CoC) and Forest Sustainability (FM). CoC is increasingly requested by overseas customers as international concerns about



"Tribal forests across the United States are managed on 80-100-year rotations. The products of these forests are of high quality, beautiful in appearance and come in all grades and species. This wood – softwood and hardwood - has built-in well developed market niches because it comes from forests that are sustainably and responsibly managed. So long as you are a reliable seller of logs or lumber, the cost of accessing these markets is negligible.

Tribes need to aggressively exploit these niches but first they need to get their management and practices recognized through a certification system that verifies the exceptional management being conducted and that can assist in telling the story of lands managed for the benefit of future generations.

Tribes can pursue SFI, FSC or develop their own certification system. Or they can develop a third party certification program with federal assistance and have the program recognized through the tribes and the federal government.

Consumer markets are looking for wood that is the product of well-managed forests that have a unique story. If that story can be centered on clean water, healthy forests, fish and wildlife habitat, and sustainability of communities, and if the story can be independently verified, it will, in turn, provide consumers with the highest level of confidence in the wood products, and will drive market demand."

Vinnie Corrao, President, Certified Lead Auditor,
Northwest Management Inc

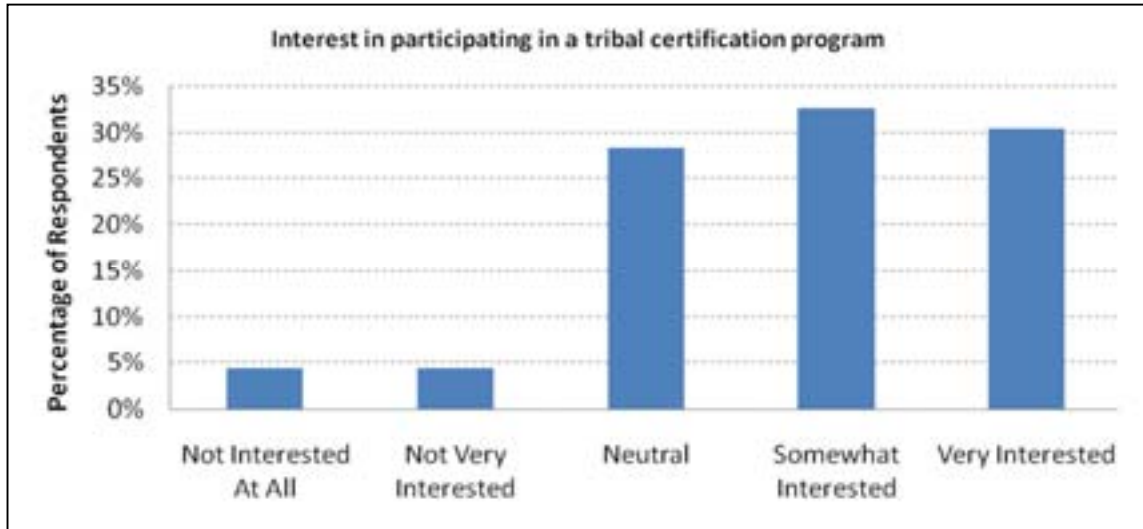
San Carlos Apache sawmill, AZ. Photo courtesy of Larry Mason

illegal logging influence trade standards. Several existing certification programs for FM, such as the Forest Stewardship Council (FSC) and the Sustainable Forest Initiative (SFI), are available for use by Indians. In order to compete in contemporary shifting markets, it may be beneficial to certify forests and products, either through one of the existing programs or through a yet-to-be-developed tribal certification program.

However, existing FM certification schemes are expensive, intrusive, and fail to provide the unique recognition for Indian forest management and wood products. That some non-Native forestry interests might suggest that Indian forestry should require third-party certification can be interpreted to indicate a need to inform and educate the public. An opportunity exists for development of a tribal certification program which, when coupled with branding or labeling to increase appreciation of the unique qualities of TFPs, could eventually lead to new market access and product premiums.

Indian forest managers were surveyed to gauge interest in development of a tribal certification program (detailed discussion of an approach that could be employed to develop a tribal certification system is provided in Volume II). Results indicate either a lack of awareness or understanding about certification programs. However, fully 60% of respondents indicated that they would be interested in participating in a tribal certification program while another 32% expressed neutrality on the issue, suggesting that they would be open to further discussion of the concept.

Strong interest has been expressed in development of a tribal certification program.

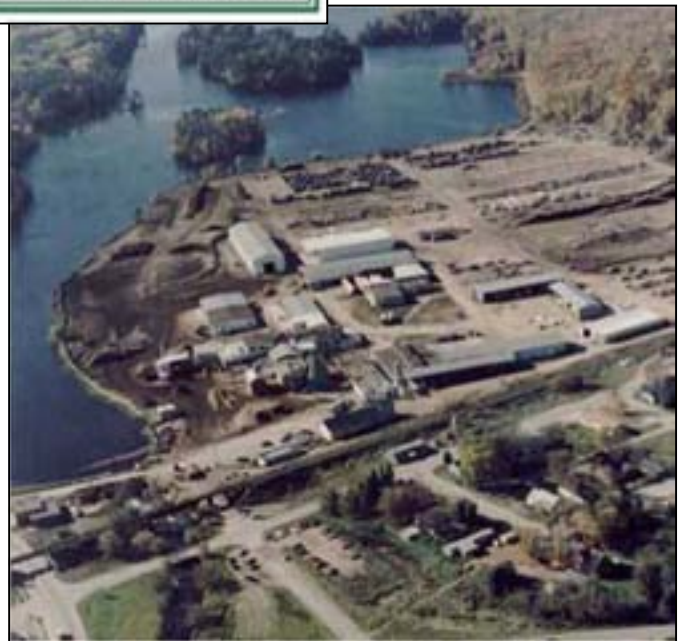


While the majority of survey respondents expressed support for development of a tribal certification program, interest varies by region and tribe. Several respondents have first-hand experience with third-party certification of wood products and consequently are very knowledgeable. However, our survey revealed that a significant number are unaware of and/or critical of the value of certification. Workshops could be beneficial to inform discussion about certification alternatives so that tribal leadership might more fully assess the costs/benefits of certification alternatives.



“No tribal branding and marketing campaign, no matter how well-conceived or well-funded, will ever succeed if it is not backed by a solid, well run, consistent operation with good internal controls. Tribes with outdated mills producing commodity products need to know they are competing against some of the most technologically advanced companies in the world, and tribes that curtail their timber harvesting programs because of poor log and lumber markets need to know that during these interruptions the cost leading competitors continue selling logs and lumber to meet the global market needs. These companies are holding their positions in the market, and in many cases, taking market share and will recover more quickly as the global economy improves.”

Wade Zammit,
Sealaska Timber Corporation



Menominee sawmill, WI. Photo courtesy of Menominee Tribal Enterprises

Marketing:

Harvest volumes from Indian forests, when considered collectively, are significant. FY 2003-2007 average volume and harvest statistics from Indian forest lands held in trust by the United States are summarized by Bureau of Indian Affairs region in the table below (MBM = thousand board feet; CDS

= Cords). Note that statistics for Alaska represent volumes available from only individually owned allotments and the Metlakatla Indian Reservation and do not include timber harvested from Alaska Native Corporate lands. Statistics for Navajo show no timber harvest activity during this period.



Mescalero Apache forest, NM. Photo courtesy of Larry Mason

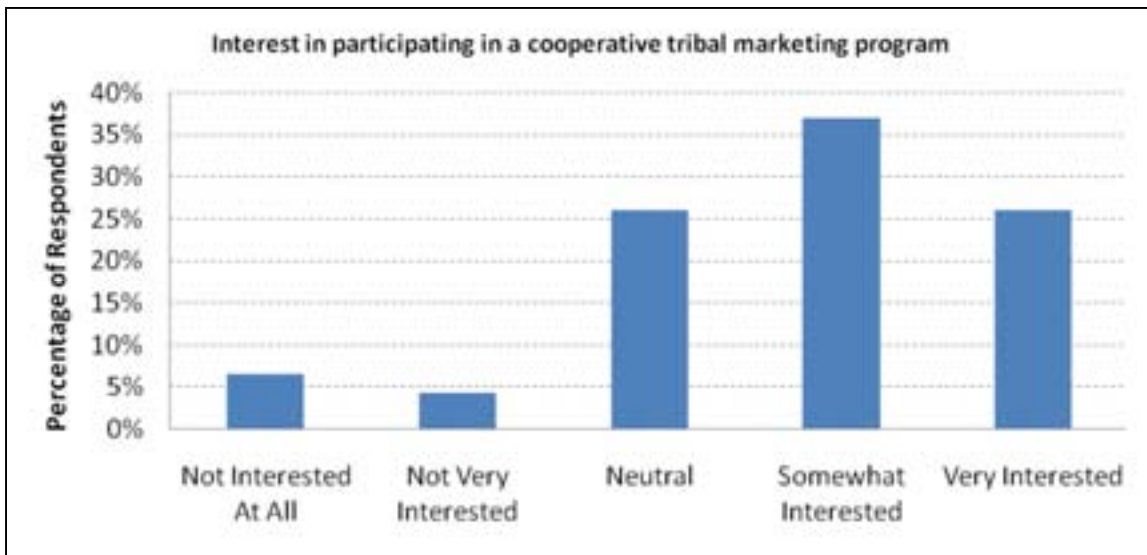
REGION	TOTAL AVAILABLE VOLUME		TIMBER VOLUME	
	Timberland	Woodland	Offered	Sold
	MBM	CDS	MBM	MBM
GREAT PLAINS	3,300	9,300	58	58
SOUTHWEST	32,420	59,540	22,490	20,325
SOUTHERN PLAINS	600	0	791	791
ROCKY MOUNTAIN	15,420	9,500	22,978	18,221
EASTERN	25,060	0	8,077	10,024
ALASKA	0	0	333	11
MIDWEST	179,100	0	98,627	116,970
EASTERN OKLAHOMA	2,400	3,680	0	39
NAVAJO	0	0	0	0
WESTERN	56,840	89,838	106,069	53,310
NORTHWEST	386,960	480	323,918	342,579
PACIFIC	16,120	23,890	17,195	15,565
Total	718,220	196,228	600,538	577,892

The Study Team identified several alternative approaches to improve the visibility and marketability of TFPs. For example, (1) technical assistance could be provided to help tribes tell their stories in compelling ways and to develop a public information campaign; (2) a TFP brand could be developed and marketed by individual enterprises; (3) an entity such as a trade association/council (a promotional organization that stops short of involvement in sales arrangements) or marketing cooperative could be formed; or (4) a multi-tribal marketing initiative could be established on behalf of its members to enter into transactional engagements. Depending upon objectives, responsibilities of a marketing cooperative could

extend to promotion, sales contracts, delivery responsibilities, payment arrangements, and more. Alternatively, new sales program could be organized and operated for and by tribal professionals or could be arranged by contract through an established trading company.

Survey results indicate high levels of interest in participating in cooperative marketing programs. Approximately 63% of all respondents indicated that they were interested in a cooperative marketing program and sales program for forest products while 26% indicated that they would be very interested in participating.

Strong interest has been expressed in development of a cooperative marketing program.



Historically, TFPs have generally been sold as commodities in the domestic market; today's forest products marketplace is global in scope. Awareness of both domestic and international opportunities will be needed to improve the capacity of tribes to sell TFPs in the highest-valued markets.

EXPORTING.

Despite weak domestic demand in recent years, US lumber exports to Japan, China and Vietnam were up by 11.1%, 19.4% and 2%, respectively and prospects for continued increased demand are promising. Logs with large diameters and tight grain produced by Indian forest management practices have unique qualities that are highly valued in certain export markets. Clearly, there are attractive opportunities for Indian wood producers with ready access to transportation systems servicing export markets.

In his State of the Union Address on January 27th, 2010, President Obama laid out an ambitious target of doubling US exports over the next five years. An Executive Order was issued on March 11th, 2010 establishing the National Export Initiative designed in part to enhance export assistance to small and medium-sized enterprises (including tribes) by improving the technical capacity of first-time exporters and helping current exporters identify new export opportunities. Export markets are dynamic and affected by global economic conditions and factors such as currency exchange rates (an overview of considerations involved in the export of forest products is included in Volume II). Developing marketing expertise and capacity is critical for Indian forest managers looking to identify, enter and compete in international markets. Exporting can diversify market opportunities with new opportunity to promote economic development and employment goals.

A visit with Lowe's Corporate Leadership

In response to a telephone survey of lumber buyers during the Study, an opportunity arose for ITC President Joe Durglo and Team members Gary Morishima and Jim Petersen to meet with corporate leadership of Lowe's in North Carolina to begin to explore opportunities for establishing a business relationship involving TFPs. The meeting confirmed many of the Team's findings regarding some of the key issues likely to be encountered when pursuing a branding/marketing program for TFPs.

Difficulty of finding the right contacts to obtain insight and perspectives about purchasing TFPs.

- Many lumber buyers are unfamiliar with the availability of forest products from Indian forests and special qualities reflected by tribal stewardship practices. The Team found it extraordinarily difficult to find individuals within corporate structures who are in a position to grasp potential benefits of doing business with Indian enterprises and influencing buying decisions.
- The primary concern of large scale buyers who service consumer end markets is that lumber supplies, regardless of source, must be reliable and "*cheap, straight, & pretty*". Consequently, large-scale lumber buyers tend to purchase from major, highly efficient manufacturers or lumber brokers.

Conclusions:

- Interest in TFPs is not likely to lie in the lumber supply per se, but rather related to the desire to embellish and advance corporate policies and objectives related to diversity and environmental stewardship. Meeting corporate diversity goals may be required as part of lumber purchasing strategies – especially when lumber is sold to the federal government or for use in Leadership in Energy and Environmental Design [LEEDS]-certified buildings. Indian forests constitute the only

abundant "minority" wood source that corporate America can tap for these markets.

- There is presently little interest in a label that would differentiate Indian commodity lumber from lumber manufactured by other sources for the consumer market. An Indian label or brand would help satisfy corporate diversity goals, but no price premium should be expected.
- Indian enterprises will need to demonstrate that they have the capacity to deliver products in a manner that meets corporate needs. They must be capable of working within corporate decision structures and satisfy supply requirements to be economically viable in competitive markets dominated by large, technologically advanced manufacturers. This suggests that pilot programs with Indian enterprises will be necessary to demonstrate capacity to deliver and potential benefits for long-term business relationships. Poor experiences will likely have long-term, far-reaching consequences so it will be critical to be fully prepared to participate.
- There is some interest in having evidence of sustainability (some official proof that Indian forests are being managed sustainably; however, absence of 3rd party certification is likely not a "deal breaker.")
- Corporate purchasers clearly prefer to have relationships with a single/regional contact to facilitate ordering, purchasing, and administration. Large-scale lumber purchasers will not readily accept potential headaches of having to deal with individual Indian enterprises.
- There are opportunities besides selling lumber for creating partnerships with entities such as Lowe's that sell a wide variety of goods and services, such as value-added products including cabinets, doors and windows; bark, mulch and pellets; providing installation crews.



The value of TFPs can be increased by modifying timber sale procedures.

Besides branding and marketing, other approaches for increasing value from forestry activities, such as modification of timber sale preparation and administration procedures, may hold promise. For instance, revisions to cumbersome timber sale preparation processes could create opportunities for greater efficiencies and product flexibility. This would enable Indian forests to be more effectively managed as resource portfolios from which products

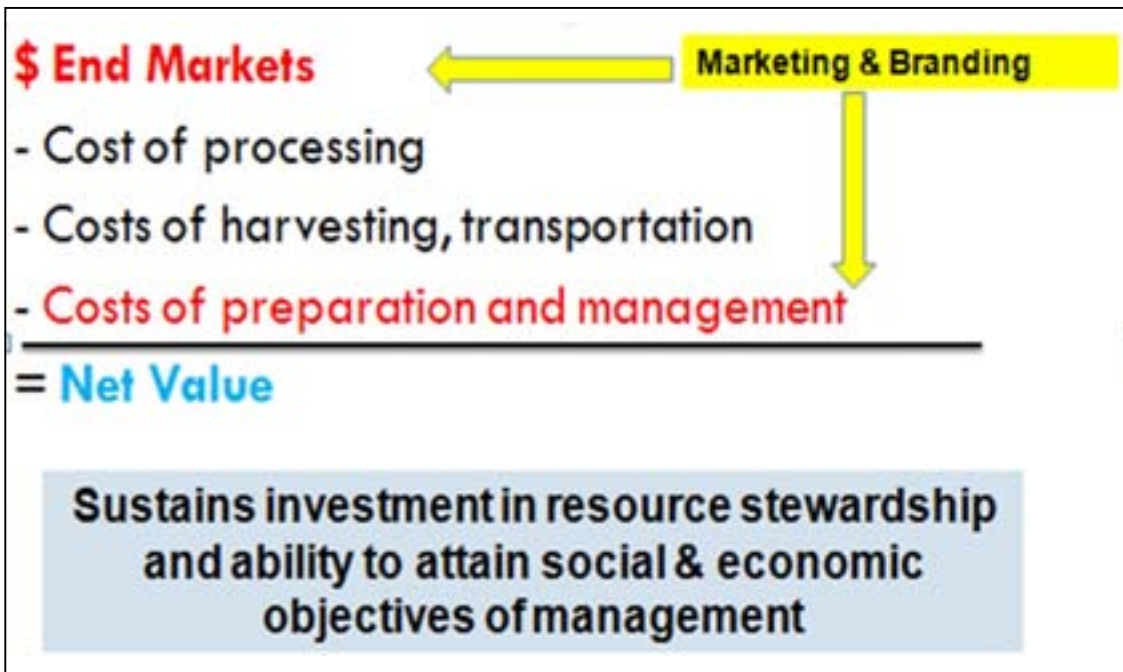
can be quickly matched with customer demand to reduce operation costs, improve access to spot market opportunities and increase revenue streams.

Part of the Study involved a comparison between practices employed for the preparation and administration of sales of timber harvested from Indian trust lands with those used by private industry. Key differences are summarized in the following table.

	Industry Timber Sale Preparation and Administration Process	Tribal Timber Sale Preparation and Administration Process
Environmental Assessment	Complete an environmental checklist for sale area	Prepare EA with ID team, complete public input, prepare FONZI, Tribal and BIA approval required
Type of Sale Advertisements	Primarily delivered log or lump-sum stumpage payment for sale	Primarily stumpage sales
Harvest Timelines	Delivered logs are 3 to 9 month sales	Tribal and BIA stumpage sales are generally 3-year harvest contracts
Ability to Respond to Markets	Short layout period and quick harvest response works well to meet market expectations	Tribal BIA stumpage sales are slow and cumbersome and lack ability to respond to market conditions

Current administrative requirements imposed by BIA manuals and by the Office of the Special Trustee serve as obstacles to the capacity of tribes to take advantage of fleeting market opportunities. A suite of sales available "on the shelf" (portfolio model) would improve the ability of tribes to benefit from spot market opportunities. Alternative procedures to appraisals could allow tribes to have ready access to dynamic market opportunities while ensuring fair market value.

Better integration of forest management with market forecasts, tribal investment and marketing strategies, the operation of existing mills, and potentials for future markets for timber and secondary products can improve access to specific market opportunities while accommodating cultural imperatives. Management practices could be designed to produce desired species mixes, stand treatments like thinning or pruning, density and rotation regimes while preserving the capacity to meet cultural and societal objectives. Forest management plans could improve prospects for viability of both management practices and business enterprises.



Yakama Indian Nation, WA. Photo courtesy of Larry Mason

There is an opportunity to increase value returns and employment opportunities from Indian forests through harvest and sales of non-timber forest products.



“When harvest of non-timber forest products is compatible with cultural imperatives and forest management objectives, a sustainable yet immense array of desirable products and enterprise opportunities unfolds. The floral products industry is one of the most organized and longest lasting non-timber forest products industries in America. Forest food products include blueberries and wild rice from the Great Lakes regions, maple syrup and cranberries from the Northeast, persimmons and ramps from the Smokey Mountains, hawthorne and paw paws from the Southeast, pecans and greenbrier from Texarkana, pinyon pine nuts and prickly pears from the Southwest, service berries and wild huckleberries from the Rocky Mountains, camas and elderberries from the Pacific Northwest, and wild mooseberries and high bush cranberries from Alaska.

Craft materials include all the roots, stems, bark, twigs, leaves, flowers, berries, seeds and fruits needed to make dyes, paints, picture frames, toys, and games. Native plants for the landscape & restoration efforts include all the indigenous plants from the forest of North America. Nationwide the yearly harvest of wild mushrooms alone is valued at over 150 million dollars.”

James Freed, Extension Forester
Washington State University

New sources of income & employment may be available from development of non-timber forest products (NTFPs) and ecotourism enterprises when compatible with cultural imperatives.

Forests produce more than timber. Sensitive harvest of NTFP can align with sustainable timber harvests to offer low cost opportunities to augment employment and revenues from forestry. NTFP refers to a group of vegetal products produced from forests that includes medicinals, nutraceuticals, forest botanicals, fresh floral, preserved floral, charcoal, aromatics, nuts, berries, roots, flowers, decorative woods, cones, seeds, Christmas greenery, chips, shavings, excelsior, sawdust, bark mulch, pine straw, firewood, flavorwood, syrups, wild game meats, honey, craft materials, mushrooms, native landscape plants, music woods, cultural and spiritual products, and more. Large markets for a host of vegetal products such as natural foods, floral greens, and craft materials are already available and generate billions of dollars in gross annual sales.

Decisions on whether or not to participate in NTFP enterprise opportunities will likely require substantial deliberation by Indian communities. A guide that may prove helpful when evaluating the pros and cons is included in the NTFP topic module in Volume II.

Your story is your product...

Ecotourism is a growing non-consumptive industry that, if deemed appropriate, could combine revenue generation with cultural and environmental education. An even larger and underserved global demand for ecotourism linked to indigenous education appears to represent significant opportunity for Indian enterprises as well. In 2010, US citizens will spend \$640 billion on tourism activities. An additional \$100 billion of tourism receipts will be contributed by overseas visitors. Ecotourism promoters speak of a “triple bottom line” (people, planet, & profit) which appears to be compatible with attributes that may be emphasized for TFPs.

“Indigenous peoples and ecotourists both value nature. Tribes have unique and genuine ecotourism products to offer. Native Americans are well positioned to use ecotourism to obtain income and employment benefits while sharing cultural and environmental education. Your shared stories and your willingness to welcome visitors to your communities become your products.

The internet provides low-cost marketing to enterprises of all sizes. Public portals, such as state tourism web sites, can be used to reach customers while sharing a proud story of Native American heritage, knowledge, and survival. Your story becomes your product...Your stewardship, an inspiration.”

Larry Mason, Outreach Coordinator,
University of Washington

When harvest of NTFPs and/or development of ecotourism is compatible with cultural values, NTFP-based enterprises could provide profitable opportunities to raise the visibility of and respect for Indian stewardship, thereby supporting the broader objective of promoting a TFP brand.

NTFPs may also one day extend to ecosystem services such as clean water, carbon sequestration, or renewable energy. The Study’s exploration of such opportunities was limited. The laws and regulations pertaining to these areas, which can greatly affect economic viability, are in a state of flux. For example, in 2010, without the political support for a government-imposed cap and trade program, the value of carbon credits dropped to pennies per ton and the Chicago Climate Exchange, a voluntary carbon credit trading organization, ceased operations.

The pace of change in technological developments in renewable energy and dearth of effective social institutions that economically value ecosystem services suggest that, at least for the near-term, the availability of and access to reliable markets for these areas are likely to remain uncertain. Potential energy and ecosystem service markets will require monitoring to assess evolving opportunities. Promotional efforts to elevate the visibility of Indian forestry can only help.



Monument Valley Navajo Tribal Park, UT. Photo courtesy of Brian Tom



Makah Days, WA. Photo courtesy of Claudia Munoz

IV. TEAM RECOMMENDATIONS - TRIBAL GUIDANCE NEEDED

“Logs and lumber are now global commodities. They are traded by some of the most competitive and sophisticated companies on earth. They are well connected and well capitalized. If you cannot compete head to head against them – meaning if you cannot reliably deliver quality products on time and at competitive prices - the enormous cost associated with creating and defending a brand would be at risk.

I think it is imperative that tribes map out realistic and effective strategies that suit individual operations and resource and execute the strategy via whatever vehicle is deemed prudent [internal sales and marketing, collective sales and marketing, outsourced sales and marketing]. Once the strategy is implemented, maintain the course. Maximized value and market penetration will not come immediately. This takes time, continuity of supply and dedication to key markets.

Domestic markets are more forgiving of erratic supply, and are today lower value markets, while international markets seem to begat higher values most of the time, but require consistent supply.”

Jim Haas,
Director of International Trade and Development,
International Forest Products Corporation

Team recommendations are organized by topic:

- General Strategy
- Branding
- Marketing
- Sales
- Certification
- Improving Efficiencies & Competiveness
- Non-Timber Forest Products and Ecotourism
- Ecological Services

A tabular format is used to provide a convenient synthesis of Team findings and recommendations along with needed guidance and direction from tribal leadership regarding future initiatives for branding and marketing TFPs.

TFP branding and marketing initiatives are intended to heighten public awareness and appreciation of Indian management, stewardship, values, and knowledge. Thus, they should be considered as part of a larger strategy to not only increase Indian presence in the marketplace, but also to educate the uninformed and influence the development of natural resource management policies that will shape the future. Indian peoples have much to offer a world searching for sustainability.

Enduring commitments will be required to realize the benefits of TFP branding and marketing over the long term. Tribal youth will be responsible for conveying tomorrow's messages. They are the bridges between tribal wisdom handed down through generations and developments in western science, providing continuity, adaptability, and innovation.



Tribal Youth from the White Mountain Apache Tribe, Mescalero Apache Tribe, and Confederated Salish and Kootenai Tribes share their perspectives on the importance of natural resource management; DOI, WA DC, Nov. 2010. Photo courtesy of USF&WS

Interest in pursuing branding and marketing of TFPs will depend on a variety of factors, such as size of the forest land base, location, availability of infrastructure, level of knowledge and expertise, allowable harvest, and management priorities derived from cultural, social, and economic considerations. Both inter-tribal and regional variability were apparent in responses to Study surveys. Because public perceptions will be influenced by experiences with "Indians", it will be important for the actions of individual members to be coordinated and operate under a cohesive strategy.

The Team recommends that a low risk, proactive yet cautious, incremental approach be taken. Initiatives

should be prioritized with respect to cost and the magnitude of potential benefits.

A low risk approach would minimize the potential for harm to existing and long-term market prospects. A proactive strategy would anticipate changes in the forest products industry, such as certification, NTFPs, ecotourism services, etc. An incremental approach would help ensure that enterprises undertake initiatives for which they are adequately prepared, in terms of experience, expertise, and capability.

This fundamental philosophy is reflected throughout the Team's recommendations.



Umatilla, OR. Photo courtesy of Don Motanic




GENERAL STRATEGY

Team Recommendations	Tribal Guidance/Direction Needed
TFP branding and marketing strategies need to be well-informed and executed with consistency and caution.	<i>Do Indian leaders wish to undertake a low risk, incremental, proactive approach in branding and marketing TFPs?</i>
Dialogue and information sharing should be undertaken through a continuing process and ITC should play a primary role in facilitation. Workshops could be regularly convened to promote discussion between Indian leaders and persons with expertise in the forest products industry towards guiding future development of marketing and branding initiatives.	<p><i>Should ITC play a primary role in facilitating dialogue, information sharing, and cooperative, collective action?</i></p> <p><i>Should ITC periodically convene workshops to promote continued deliberation of branding and marketing strategies?</i></p>
Shifting federal and state policies concerned with complex issues such as climate change, sustainability, international trade, renewable energy development, and green building can have significant influence on market opportunities for TFPs. ITC is well-positioned to facilitate consideration of policy implications for Indian market development and investment.	<i>Should ITC periodically convene workshops for information sharing and critical discussion of policy implications for TFP brand and market development?</i>




Quinalt Indian Reservation, WA. Photo courtesy of Larry Workman

BRANDING

Team Recommendations	Tribal Guidance/Direction Needed
<ol style="list-style-type: none"> 1. Indian leaders should first determine if they wish to develop a brand to uniquely identify forest products from Indian country for both domestic and international markets. 2. If affirmative, the scope of the brand should be determined, e.g., logs and manufactured forest products, value-added products such as cabinetry or furniture, NTFP, etc. and standards established to ensure product quality. 3. Interest and commitment by specific Indian enterprises should be obtained. 4. Followed by efforts to secure financial support for brand development and market research, including details of the brand need to be determined (e.g., design). 5. Legal measures would need to be taken (e.g., trademarks, copyrights, web sites, etc.) to protect the brand. <p style="text-align: center;">Examples of brands/labels</p> <div style="text-align: center;">    </div> <p>Earth's Gifts Forest Products of Exceptional Quality</p>	<p>PRINCIPAL QUESTION: Should a brand be developed to uniquely identify TFPs?</p> <p><u>Develop a new brand or use an existing one?</u></p> <p><i>Should a TFP brand be developed or should an existing brand such as “Made by American Indians©” for food and crafts program offered through the Intertribal Agriculture Council be used?</i></p> <p><u>Scope of brand</u></p> <p><i>Should the emphasis be placed on supporting the development of national, regional, or enterprise-specific brands?</i></p> <p><i>Should a TFP brand encompass only lumber and logs or should a generic brand be developed which could be used for other products (e.g., crafts, natural foods, ointments, ecotourism, etc.)?</i></p> <p><i>Which enterprises wish to participate?</i></p> <p><u>Brand Development</u></p> <p><i>Should a team be assembled to prepare a strategic plan for developing a TFP brand?</i></p> <p><i>Should a TFP association/council be created to develop and promote a brand?</i></p> <p><i>Should a professional advertising firm be consulted to assist in brand and trademark development to develop a message and symbol that would appeal to the general public or target niche markets that are generally unfamiliar with the superior qualities of TFPs?</i></p> <p><u>Support</u></p> <p><i>How would a TFP branding program be maintained? Seek on-going financial support from outside entities? Seek support for start-up with a transition to self-sustaining programs through licensing and distribution fees? Other?</i></p>

MARKETING

Team Recommendations	Tribal Guidance/Direction Needed
<ol style="list-style-type: none"> 1. Opportunities for market promotion of the brand (or, alternatively, to promote the Indian story generically) should be identified. 2. Financial and technical assistance to support the telling of Indian “stories” in a compelling way should be sought. 3. Opportunities for favorable exposure for TFPs and their stories need to be identified and the most effective means of penetration determined. 4. When possible, promotional opportunities (trade association or professional meetings, influence over state tourism and other public internet sites, airline magazines, paid advertisements, brochures, media pieces) should be considered collectively as part of a campaign. 	<p>PRINCIPAL QUESTION: Should Indian enterprises be responsible for marketing the brand individually or should a structure for coordinated market promotion be established?</p> <p><u>Scope of brand and marketing initiative</u></p> <p><i>Should the emphasis be placed on supporting marketing at national, regional, or enterprise levels?</i></p> <p><i>Which enterprises wish to participate?</i></p> <p><i>What types and volumes of forest products will be available?</i></p> <p><i>Should further research be pursued to investigate the scope and potential for marketing TFPs into niche markets?</i></p> <p><u>Marketing Plan Development</u></p> <p><i>Does the sample vignette prepared by the Study Team (depicted below) adequately reflect the values and messages that should be conveyed?</i></p> <p><i>Should technical assistance be provided to help tell Indian “stories” in compelling ways and to develop a public information campaign instead of pursuing a TFP brand and collective marketing system?</i></p> <p><i>Should a long-term program aimed at gaining access to international markets be developed to provide a measure of protection against economic downturns in domestic markets?</i></p> <p><i>Should a professional advertising firm be consulted to assist in brand and trademark development to develop a message and symbol that would appeal to the general public or target niche markets that are generally unfamiliar with the superior qualities of TFPs?</i></p> <p><i>Should marketing networks be developed for NTFP’s to expand sales opportunities and provide access to expertise in product preparation and packaging?</i></p> <p><i>What type of marketing structure should be pursued? Individual enterprise, trade</i></p>
	
<p>Log Exports, WA. Photo courtesy of John Perez Garcia</p>	
<ol style="list-style-type: none"> 5. Strategies for marketing arrangements will need to be determined (for instance, should individual enterprises be responsible for marketing their own products or should a collective market campaign be undertaken? should a cooperative 	

<p>marketing organization or trade association/council be formed and at what level – regional or national?).</p> <p>6. Decisions would need to be made with respect to how market promotion activities will be sustained through memberships, label licenses, dues, and other means.</p>	<p><i>associations or councils, regional/national cooperatives, contract with firms with existing expertise?</i></p> <p>Support</p> <p><i>How should a marketing program be sustained? Seek on-going financial support from outside entities? Seek support for start-up with a transition to self-sustaining programs through licensing and distribution fees? Other?</i></p>
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Yakama Forest Products, WA. Photo courtesy of Yakama Forest Products

Sample Vignette "Indian Story"



Earth's Gifts

Forest Products of Exceptional Quality from America's First Stewards

We are Indian People. As the First Stewards, we have cared for the Land since before time began. Our natural resource management practices are rooted in the traditions, knowledge, and wisdom handed down to us by our ancestors over countless generations.

Our Creator has entrusted us with the care of our Land and its resources. In exchange, He has blessed us with precious gifts of life: foods, clothing, medicines, fuel, shelter and goods for trade and commerce - the means to nurture our bodies, minds and spirits.

We share a deeply-felt responsibility to protect the land for those who will follow in our footsteps. The future of our peoples depends on stewardship of the natural resources that are both our heritage and legacy. We care for Earth, so she will continue to care for us. We are part of the Land and the Land is part of us. It is the Indian Way.

When early European settlers first glimpsed the Americas, they saw landscapes that had been shaped by countless generations of our ancestors. Today, we still manage our lands and resources to the very best of our ability to provide for the health and vitality of our people and communities. Our cultures and identities are sustained by our resources - foods, medicines, materials for fuel and shelter, and places for personal reflection and spiritual renewal.

We manage our forests, fish, wildlife, water, and ecologically and culturally sensitive areas for multiple values. We selectively burn, thin, prune, plant, weed, and harvest to maintain the health of our resources. We are constantly reminded of the importance of our actions and decisions because we feel the consequences of our actions in our communities in countless ways every day.

To Indian people, sustainability is not a slogan; it's our way of life. Our traditional values and our obligations to generations yet unborn are strengthened by federal law, including the National Indian Forest Resources Management Act, which codifies the U.S. Government's fiduciary and trust responsibilities to ensure that our forests are sustainably managed. Indian timber, fish and wildlife conservation and management programs meet or exceed every federal regulation, including the Endangered Species Act, the Clean Water Act, the National Forest Management Act and the National Environmental Policy Act.

Managing natural resources in today's regulatory climate requires state-of-the-art technology, access to the best available science and a deep commitment to sustainable productivity. We have always adapted to change and adopted technologies that suit our values and needs, and we take great pride in our progressive approaches to natural resource management.

Two independent assessments of Indian Forestry by some of the nation's leading forest scientists praised tribal lands as places where creativity and innovation are yielding examples of sustainability. Our unique approach, anchored in tradition, experience and wisdom passed from generation to generation while also embracing the best that western science has to offer is gaining acceptance in important economic and environmental forums where natural resource conservation policies are considered and debated. Many now see us as national leaders in the management and protection of a vast array of natural, cultural, historic and spiritual resources found in America today, not just on tribal lands but across the nation.

Spiritual and cultural values bind us to places and resources. Each day, we thank the Creator for the mountains, waters, air, land, forests, fish, wildlife, and plants that enrich our lives. We honor our duty to them and show our respect by managing our resources, not neglecting them.

We understand that Earth's well being and ours are in our hands. We know that our survival depends on respecting and thanking the Creator, our Mother and Father for their daily gifts of life. The exceptional quality of our forest products, from construction grade to finish lumber, from logs to chips, berries, nuts, and mushrooms, embody our deeply felt belief that People, Land, Resources, Mind, Body, Spirit, the Creator, Earth, Sky, Sun, and Ocean are one.



Peeled poles \$200/ton



Clean chips \$100/ton



Firewood \$50/ton



Mulch \$25/ton

A wide range of values can be extracted from the same raw materials – in this case, an eight-fold difference could be realized from small diameter logs, depending on the market tapped.

SALES	
Team Recommendations	Tribal Guidance/Direction Needed
<ol style="list-style-type: none"> 1. Decisions with respect to the manner in which TFPs are to be sold and distributed need to be made. Recommendations for contract sales should be developed to help guide the development of formal agreements between tribes and sales entities. Costs and benefits of developing marketing cooperatives to facilitate entry to established large corporate sales opportunities should be evaluated. 2. For cooperative sales, decisions as to how the organizational infrastructure will be financially sustained, e.g., licensing fees, commissions, etc will be needed. 3. The majority of the logs harvested from Indian forests are sold into the domestic market followed by sales to tribal processing facilities and finally the export markets. If access to export markets is desired, working relationships should be developed with organizations with established track records of experience and initiatives undertaken to expand tribal expertise in export sales. 4. Maximized returns from timber harvest will only be assured if the right log gets to the right place at the right time. In some areas of the nation, such as the Southwest, the decline of the forest industry has meant loss of manufacturing capacity and markets for many log grades from pulp to peelers. Throughout the United States, forest product infrastructure is generally being transformed for efficiency in handling large volumes of small diameter logs. These changes will likely reduce the capacity of tribes to harvest, transport, and manufacture the larger diameter trees and affect their capacity to sell the trees they need to remove from their forests to 	<p>PRINCIPAL QUESTION: Should individual enterprises be responsible for selling their forest products or should a structure for cooperative or coordinated sales be pursued?</p> <p><u>Scope of brand and marketing initiative</u></p> <p><i>Should the emphasis be placed on selling at national, regional, or individual enterprise levels?</i></p> <p><i>Which enterprises wish to participate?</i></p> <p><i>What types and volumes of forest products will be available?</i></p> <p><u>Sales Plan Development</u></p> <p><i>Should mechanisms, such as clearing houses, be developed to help match producers and buyers, and sellers for TFPs?</i></p> <p><i>What type of structure should be pursued for selling TFPs? Individual enterprises, trade associations, councils, regional/national cooperatives, contracted firms having existing expertise?</i></p> <p><u>Additional Research</u></p> <p><i>Should ITC develop a framework and process to enable tribes to obtain the information needed to evaluate costs and benefits of alternative uses of logs (e.g., operating their own processing facilities, use of brokers rather than in-house marketing expertise, etc?)</i></p> <p><i>Should ITC convene workshops to determine the reasons for the differences in stumpage revenues between tribes and neighboring</i></p>

maintain forest health and provide other social amenities. Enterprises will need to explore and develop niche markets for high-quality, large diameter timber.

public and private timberlands?

Should an investigation be launched to pursue funding support to develop the details of organizational structures for selling TFPs?


Support

How would a cooperative sales program be sustained? Seek on-going financial support from outside entities? Seek support for start-up with a transition to self-sustaining programs through distribution fees? Other?



Diverse Indian forests: Inland West pine/fir; Eastern hardwoods; Pacific NW fir/hemlock; Alaska birch/spruce; SW pinyon/juniper. Photos courtesy of Gary Morishima and Larry Workman.

CERTIFICATION

Team Recommendations	Tribal Guidance/Direction Needed
<p>1. The BIA should develop a formalized system for government-issued certificates of Indian forest sustainability and chain of custody.</p> <p>2. The advantages and disadvantages, costs and benefits of third party certification through existing systems vs. a tribal certification system should be discussed.</p> <p>3. If a tribal certification system is to be pursued, financial support for development, promotion, and implementation must be sought.</p>	<p>PRINCIPAL QUESTION: Should a tribal forest certification system be developed?</p> <p><i>Should an outreach program be conducted to provide information about requirements, costs, and benefits of chain of custody and forest sustainability certification?</i></p> <p><u>Develop a tribal certification system?</u></p> <p><i>Which tribes wish to participate?</i></p> <p><i>Should a formalized system be established to guide government-issued certificates of sustainable forest management?</i></p> <p><i>Should ITC be the organizing authority for development of a tribal certification program?</i></p> <p><i>Should resources be sought to pursue the model for developing a new tribal certification system (Development, Peer Review) presented by the Study Team?</i></p> <p><u>Certifying Entity?</u></p> <p><i>Should second party (i.e., tribal entities) or third party (independent) auditing be pursued?</i></p> <p><u>Support?</u></p> <p><i>How should a tribal certification system be maintained and promoted for broad market acceptance?</i></p>
	
<p>Warm Springs, OR. Photo courtesy of Warm Springs Forest Products</p>	

IMPROVING EFFICIENCIES & COMPETITIVENESS

Team Recommendations	Tribal Guidance/Direction Needed
<p>1. The ITC should establish a committee to develop recommendations for improving timber sale preparation and administration practices and to integrate forest management with enterprise operations.</p> <p>2. Objectives for forest products enterprises should be clearly identified. If the main objective is to meet social needs such as employment, a formalized system to identify trade-offs between efficiency, investment and employment should be developed. Investments in modernizing manufacturing operations to focus on operational efficiency and profitability will be required if Indian enterprises are to succeed in the highly competitive forest products industry.</p>	<p>PRINCIPAL QUESTION:</p> <p><i>Should a task force of tribal and BIA representatives be formed to identify opportunities and develop recommendations for:</i></p> <p><i>(a) increasing efficiencies and improving the capacities for tribal timber sales administration to increase stumpage returns and support tribal marketing and branding initiatives; and</i></p> <p><i>(b) to better integrate forest management and forest products enterprise operations?</i></p>



Mescalero Apache, NM. Photos courtesy of Bernie Ryan, BIA



NON-TIMBER FOREST PRODUCTS & ECOTOURISM

Team Recommendations	Tribal Guidance/Direction Needed
<p>1. The potential revenue streams from NTFP harvests should be examined. Each tribal or Native Alaskan community must make its own determinations of appropriate use of NTFP's and opening its homelands to ecotourism, subject to the prerogatives of local governance, community values, and cultural practices.</p> <p>2. Complementary management opportunities to produce timber and NTFPs and engage in ecotourism and indigenous education should be explored.</p>	<p>PRINCIPAL QUESTION: Should ITC become engaged in efforts to help develop Indian enterprises based on NTFP and Ecotourism?</p> <p><i>Use of NTFP and Ecotourism hold significant potential for economic benefit. However, economic development of such enterprises will be intrusive. Is this an appropriate area for ITC's involvement?</i></p> <p><i>If branding is to include NTFPs and ecotourism, what is the best way to explore opportunities, costs, and benefits to promote exposure for Indian history, culture, forest products and enterprises?</i></p>



Eastern Shoshone and Northern Arapaho, WY. Photo courtesy of Wyoming Tourism Bureau



Forest treated to reduce wildland fire risk under Mescalero tribal management (left), compared with fire-prone condition on adjacent Lincoln National Forest (right). Photo courtesy of Bernie Ryan, BIA.

ECOLOGICAL SERVICES

Team Recommendations	Tribal Guidance/Direction Needed
<p>Markets for ecosystem services and carbon sequestration are currently in a state of flux and do not warrant high priority consideration in TFP branding and marketing strategies. The merits of pursuing these types of initiatives should be explored as a means to help defray costs of forest management or promoting their stories of environmental stewardship. The ITC is advised to monitor developments within the new USDA Office of Environmental Markets; http://www.fs.fed.us/ecosystemservices/OEM/index.shtml.</p>	<p>PRINCIPAL QUESTION: Should investigation of the potential for ecosystem services (e.g., carbon sequestration, conservation easements) be a priority for ITC?</p> <p><i>Should ITC request a briefing from the USDA Office of Environmental Markets on the process and progress of the guidelines development for environmental services?</i></p> <p><i>Should ITC be involved in guiding the research priorities of the USDA Office of Environmental Markets (e.g., current direction assumes disaggregation of discrete ecosystem services)?</i></p> <p><i>Should ITC engage government agencies and non-governmental organizations in discussion of protection of ecosystem services through underwriting costs of Indian land re-acquisitions and expansion of long-term stewardship contracts on National Forests? (Under current assumptions of market potential for discrete services rather than system valuation based upon stewardship performance, the value of Indian management is discounted relative to other private and public landowners).</i></p>



As a candidate for President of the United States, Barack Obama promised clean energy opportunities for tribes.

EMERGING TECHNOLOGIES	
Team Recommendations	Tribal Guidance/Direction Needed
<p>Commercial biomass/biofuels enterprises are not yet readily exploitable and risk is uncertain due to rapidly developing technologies and unsettled economic and political factors, but warrant future consideration, especially when integrated with process facilities development or expansion. Combined heat and power projects, designed to serve reservation needs and reduce reliance on expensive imported fuels, may offer most readily accessible potential for economic return.</p>	<p>PRINCIPAL QUESTION: What relative priority (vis-à-vis branding and marketing) should ITC devote to development of biomass/biofuels enterprises?</p> <p><i>Should ITC request a briefing from the US Energy Department's Office of Indian Energy Policy and Programs on efforts to develop forest-based renewable energy?</i></p> <p><i>Should ITC prioritize legislative and policy development to promote forest-based energy from Indian forest lands?</i></p> <p><i>Should ITC be involved in guiding the research priorities for renewable forest-based energy?</i></p>

GLOSSARY

Brand: An identifying symbol, words, or mark that distinguishes a product or company from its competitors. Brands are often based on a specific mix of product and product attributes that differentiate a product and provide it with a competitive advantage over similar product offerings. Usually brands are registered (trademarked) with a regulatory authority and so cannot be used freely by other parties.

A brand creates an image to differentiate a product in the marketplace. A brand image creates a brand experience over and above product utility. A brand that becomes known acquires brand recognition. Brand recognition accumulates to become brand equity. Brand management is the application of marketing techniques to increase customer perception of value. Brand marketing is directed toward “penetration and pull” of market development and retention. A “brand”, however, refers to names, logos, and slogans that are created to distinguish a product or a producer from others in a competitive marketplace.

The overarching objective of branding for this application is to find an effective means of elevating the exposure and appreciation of Indian resource management. An effective brand quickly delivers the message you wish to convey to distinguish Indian products from others in the marketplace and elicit positive response.

Certification: Certification is a market-based, non-regulatory forest conservation tool designed to recognize and promote environmentally-responsible forestry and sustainability of forest resources. The certification process involves an evaluation of management planning and forestry practices by a third-party according to an agreed-upon set of standards. Certification standards address social and economic welfare as well as environmental protection. Most forest certification programs include chain-of-custody verifications that allow tracking of forest products through the supply chain. Certification labels are thought to reward responsible environmental performance with market benefit and may be required for participation in some product markets. Certification labeling can be used to augment the promotional and selling activities of both trade associations/councils and marketing cooperatives. As yet, there are no certification programs that have been developed for Native American forests by Native Americans.

Cooperative marketing: An arrangement whereby various producers cooperate in the marketing of their products or services. This often involves sharing resources to establish an independent marketing entity that works to market the cooperative product mix by linking potential customers with cooperative members who have products that match the customer’s requirements. A marketing cooperative is an arrangement whereby various producers cooperate in the marketing of their products or services, often involving shared resources, to

establish an independent marketing entity that works to market the cooperative product mix by linking potential customers with cooperative members who have products that match the customer’s requirements. Marketing cooperatives sell the products offered by their memberships possibly in conjunction with brand promotion or certification.

Ecosystem services: Ecosystem services, also referred to environmental services, include provisioning services such as food, water, timber, and fiber; regulating services that affect climate, floods, disease, wastes, and water quality; cultural services that provide recreational, aesthetic, and spiritual benefits; and supporting services such as soil formation, photosynthesis, and nutrient cycling.

Ecotourism: Ecotourism is ecologically sustainable tourism that fosters environmental and cultural understanding, appreciation, and conservation (Ecotourism Assoc. of Australia). Ecotourism is responsible travel to natural areas which conserves the environment and improves the well-being of local people (The International Ecotourism Society).

Sales: Distribution of products or services from producers to buyers, through formal agreements of means of exchange.

Marketing: A promotional campaign to increase market recognition, presence and pull of a brand, trademark, or product line.

Non-Timber Forest Product (NTFP): NTFP refers to a group of vegetal products produced from forests that includes medicinals, nutraceuticals, forest botanicals, fresh floral, preserved floral, charcoal, aromatics, nuts, berries, roots, flowers, decorative woods, cones, seeds, Christmas greenery, chips, shavings, excelsior, sawdust, bark mulch, pine straw, firewood, flavorwood, syrups, wild game meats, honey, craft materials, mushrooms, native landscape plants, music woods, cultural and spiritual products, and more.

- Medicinals are the oldest medicines and include dietary supplements, ethnic traditional medicines, and other herbal formulations thought to improve health.
- Nutraceuticals are foods and nutritional supplements which contain naturally occurring compounds which may be beneficial to ensure good health and disease prevention.
- Forest botanicals are plants or plant parts (seeds, nuts, berries, bark, foliage) valued for medicinal or therapeutic properties, flavor, appearance, and/or scent.
- Aromatics are oils extracted from plant parts that provide pleasurable or therapeutic aromas.
- Excelsior, sometimes called wood wool, refers to thin curly wood shavings used for packing or stuffing.

The Marketing Mix: is the set of controllable marketing variables that a firm blends to produce the response desired from the target market.

The 4 P's: Product, Price, Place, and Promotion, are classic characterizations of the "marketing mix" that businesses aim to control subject to internal and external constraints in the marketplace.

Trademark: A Trademark refers to a legal right to use and protect words, names, symbols, sounds, or colors that distinguish goods and services. They require registration which can be accomplished quickly and inexpensively. Trademarks can be renewed forever as long as they are being used in business.

Trade Association: A group of business enterprises that provides collective services for its members such as the development of networks and alliances, compiling information about markets, developing and securing brands and copyrights, establishing standards, and engaging in promotion and education, facilitating services such as business referrals and access to subject matter experts, and influencing policies or legislation.



Flathead Reservation (Montana). Photo courtesy of Jim Petersen. Evergreen Foundation.

Western Montana's Confederated Salish and Kootenai Tribes of the Flathead Reservation manage their fine forests for timber revenue and wildlife habitat. The Tribes' forestry department is one of the finest in the country, as is evidenced by this thinning in a western larch stand southwest of Ronan. Indian forestry is widely admired by those who are familiar with it – in part because it does an excellent job of balancing tribal revenue needs against tribal spiritual values.

Back cover: Coastal forest, Quinault Indian Reservation (Washington State). Photo courtesy of Larry Workman, Quinault Indian Nation

Moderate temperatures and abundant moisture make coastal Indian forests among the most productive in the world. Diverse forests of Douglas fir, Sitka spruce, western hemlock, red alder, and the "tree of life" (western red cedar), produce salmon, wildlife, foods, medicines, and timber that sustain tribal cultures and economies.



