

## Forest Land Consolidations and Jointly Owned forests - the way towards better competitiveness of forestry

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## Background

- 70 % of Finland's surface area is forest land
- 8 % of Finland's GDP comes from the forest sector
- The foundation of the forest sector is a strong forest industry and profitable forestry
  
- The land division in many forest areas is poor
- The ownership structure of forest property is changing
  - ➔ The use of forests is not effective

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## Fragmentation of forest holdings

### History of Finland's property formation

#### Open field system

- From 14th to 18th centuries
- The forests were mutually enjoyed

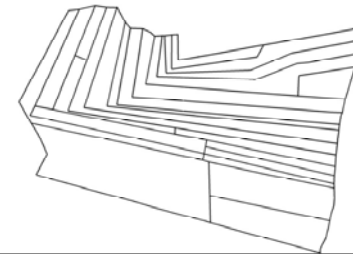
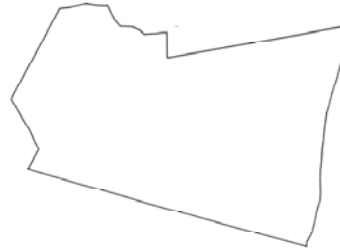
#### Basic land consolidation

- From 18th to 19th centuries
- Forests separated from state-owned lands

#### Situation after basic land consolidation

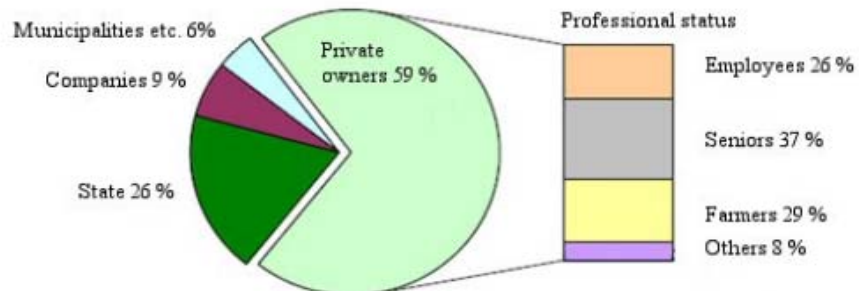
- Restrictions on the distribution of property were removed
- The holdings were distributed amongst the children

➔ Continuous fragmentation of holdings



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## Ownership structure of forest land in Finland



Source: Metla, TTS, PTT

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## Difficulties of Finland's forest industry

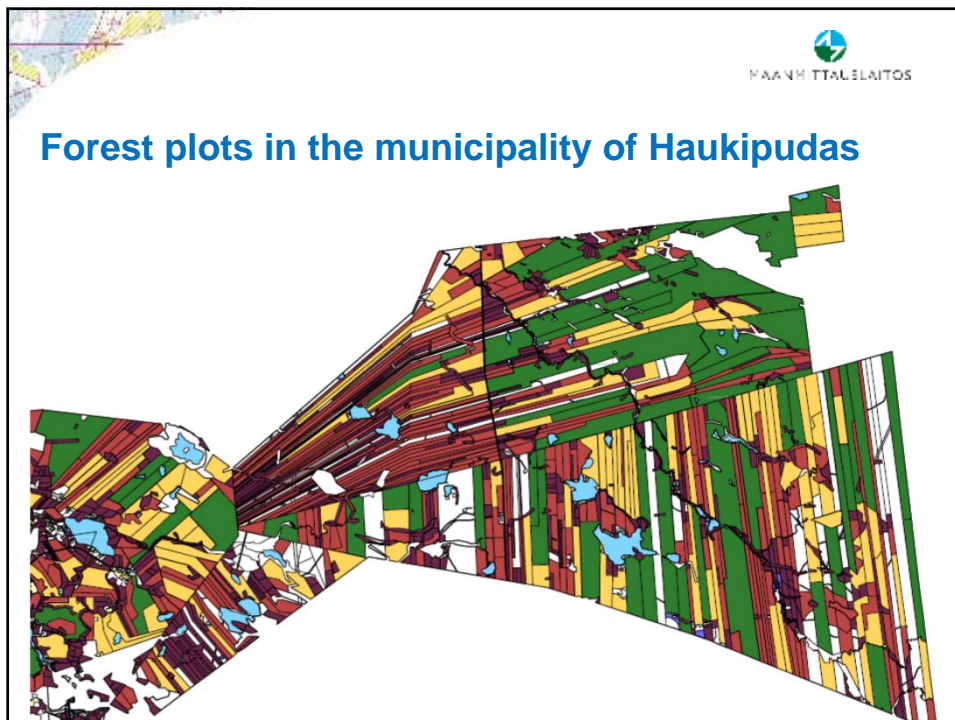
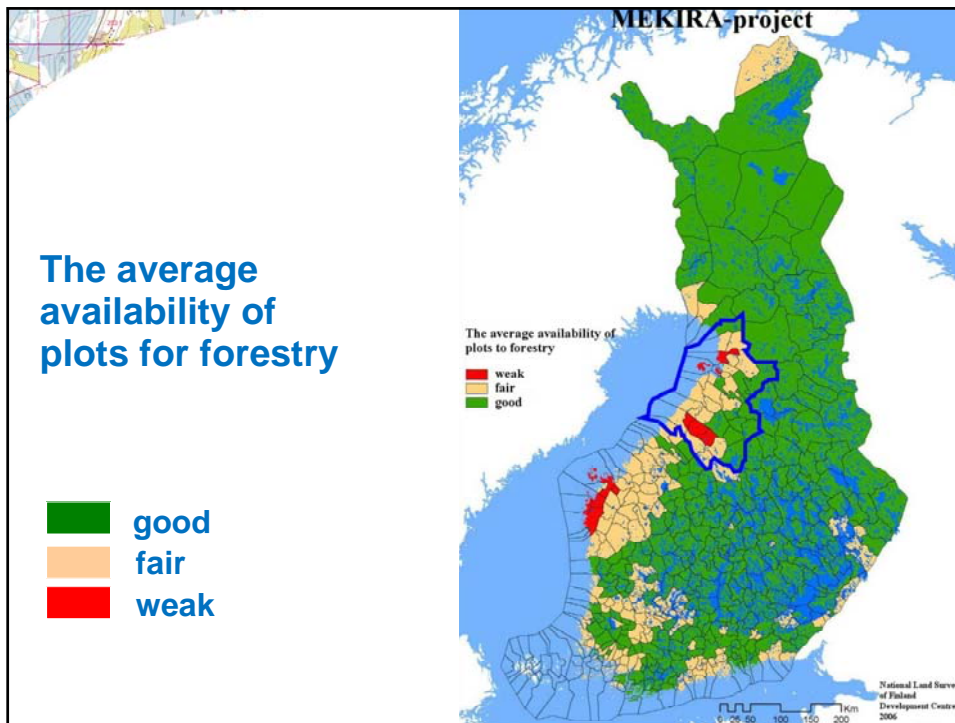
- **Difficulties in obtaining raw materials at competitive prices**
  - Only 80% of forest growth is recovered
  - Raw wood import from Russia stopped
- ➔ **Finland's forest industry has reduced its capacity**
- ➔ **Something must be done in order for the forest industry to survive in Finland**


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## How to overcome these difficulties?

- **National Forest Programme 2015**
  - Six priority areas, one being to take care of competitive forestry
  - The goal is to increase the size of forest holdings from 24 ha to 50 ha
    - Forest land consolidation and Jointly owned forests
- **Report on property structure of forests (MEKIRA)**
  - An easy tool to discover forest areas having a poor property structure
- **Information distribution campaigns**
  - Forest field actors and the NLS
  - Disadvantages of the poor property and ownership structure


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## Forest land consolidation

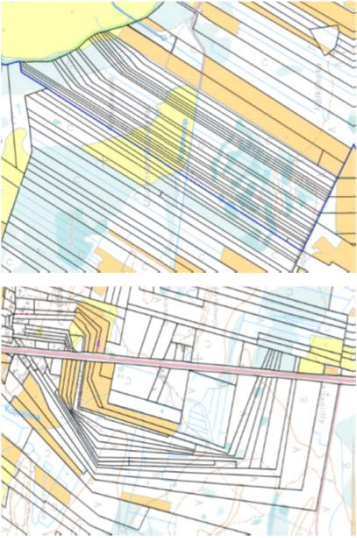
- **Clarification of need**
  - Assessment of need, profitability and landowner's support for LC
- **Cadastral survey**
  - Larger and better shaped parcels
  - Effective road and drainage networks
  - Jointly owned forests
  - Other objectives (e.g. protection)
- **Benefits**
  - Will be realized over a long period
  - Benefits for the community and landowner's
    - Lower unit costs in all activities
  - Forestry and felling activated
  - More vegetative forest land, more wood, more money from the forest

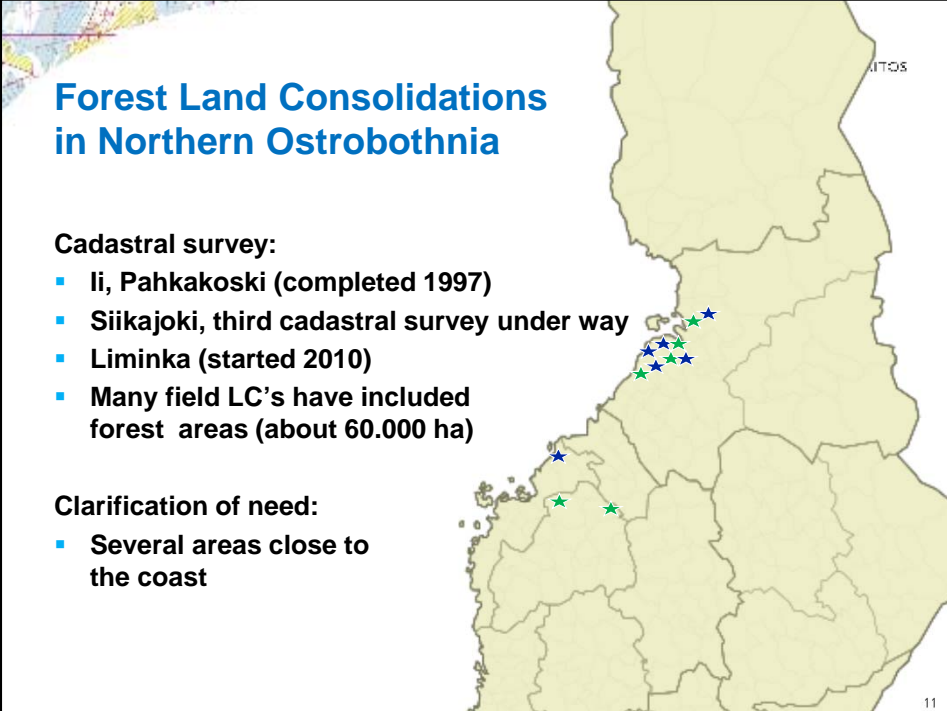


  
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## Jointly owned forest

- An old form of ownership
  - The first established in 1889
- An area of common hold, which is a private land
- Must make up an appropriate whole on the agreement of landowners
- There are 170 jointly owned forests in Finland
- Surface area range is 19 – 85 000 hectares
- **Benefits**
  - Steadily productive and convenient form of ownership, because forests are professionally managed
  - Economy of scale
    - Lower unit costs
    - Higher prices for wood sales





## Forest Land Consolidations in Northern Ostrobothnia

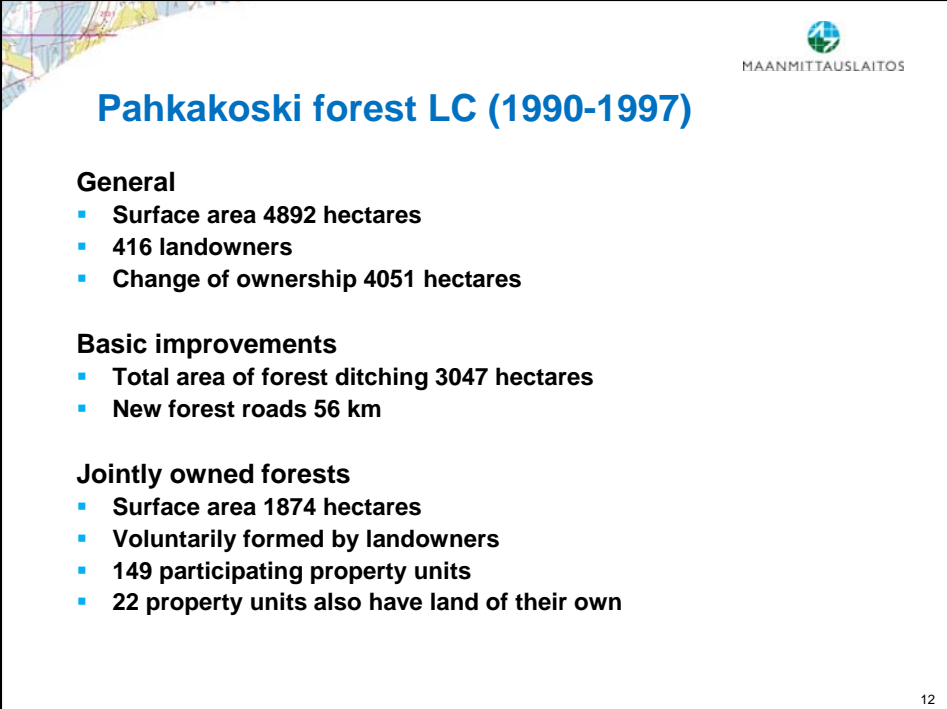
**Cadastral survey:**

- Ii, Pahkakoski (completed 1997)
- Siikajoki, third cadastral survey under way
- Liminka (started 2010)
- Many field LC's have included forest areas (about 60.000 ha)

**Clarification of need:**

- Several areas close to the coast

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## Pahkakoski forest LC (1990-1997)

**General**

- Surface area 4892 hectares
- 416 landowners
- Change of ownership 4051 hectares

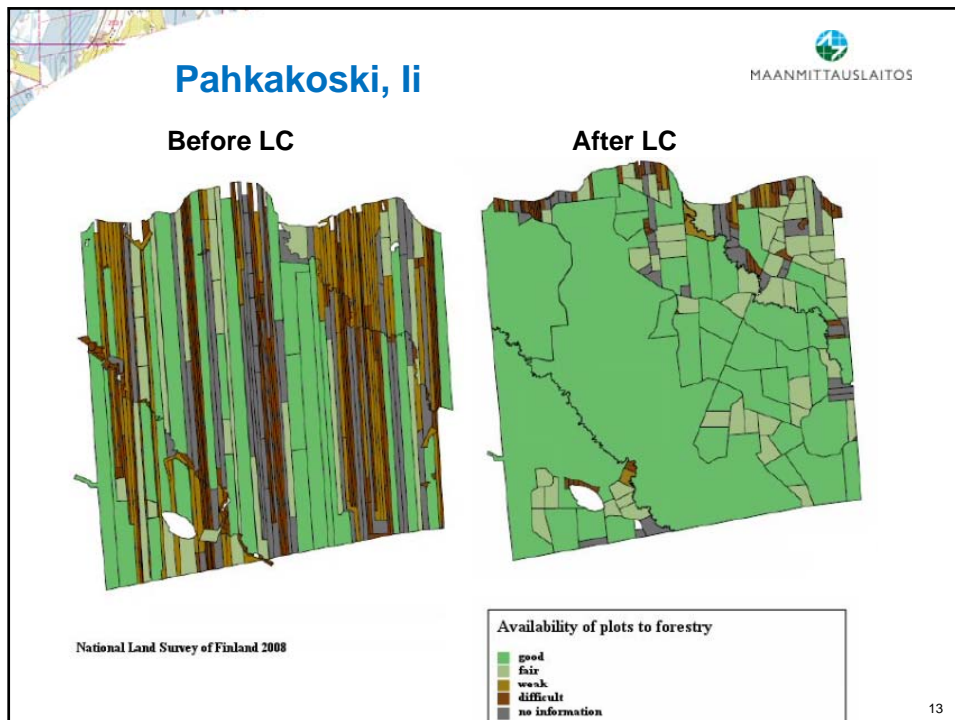
**Basic improvements**

- Total area of forest ditching 3047 hectares
- New forest roads 56 km

**Jointly owned forests**

- Surface area 1874 hectares
- Voluntarily formed by landowners
- 149 participating property units
- 22 property units also have land of their own

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## Conclusions

- Land division and ownership structure is so poor in many places that it prevents the profitable practice of forestry
- Forest land consolidation and Jointly owned forests can regionally improve the situation
- The best result is achieved using Forest LC and Jointly owned forests at the same time
  - In areas with a good land division but poor ownership structure, the use of Jointly owned forests is enough
- Field LC has taught us that it takes time to change attitudes
  - Requires several years of systematic work before practical measures can be taken

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