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
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

Ownership structure of forest land in Finland

- Municipalities etc: 2%
- Companies: 9%
- State: 26%
- Private owners: 59%
- Employees: 36%
- Seniors: 37%
- Farmers: 30%
- Others: 3%

Source: Metsa, TTS, PTT
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

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
The average availability of plots for forestry

- good
- fair
- weak

Forest plots in the municipality of Haukipudas
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

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

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
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
Thank you for your attention!