

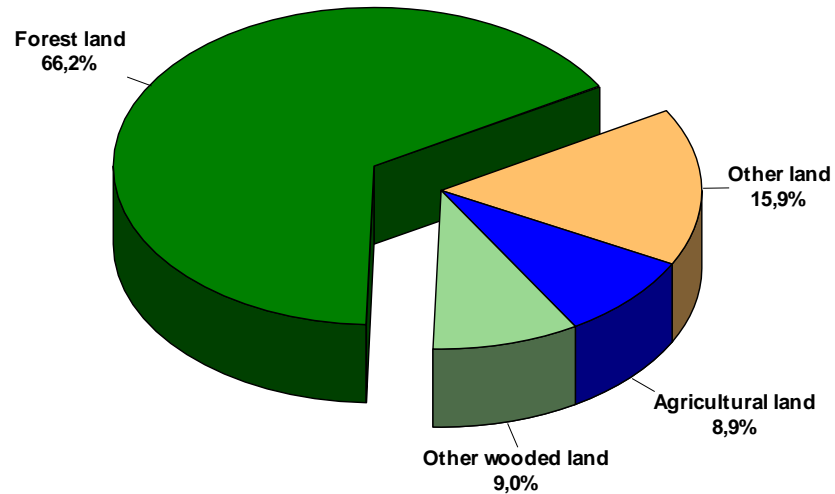


Family Forestry in Finland



STRUCTURE OF LAND USE IN FINLAND, 2014-2016

Total land area 30 390 thous.ha, forest land area 20 150 thous.ha

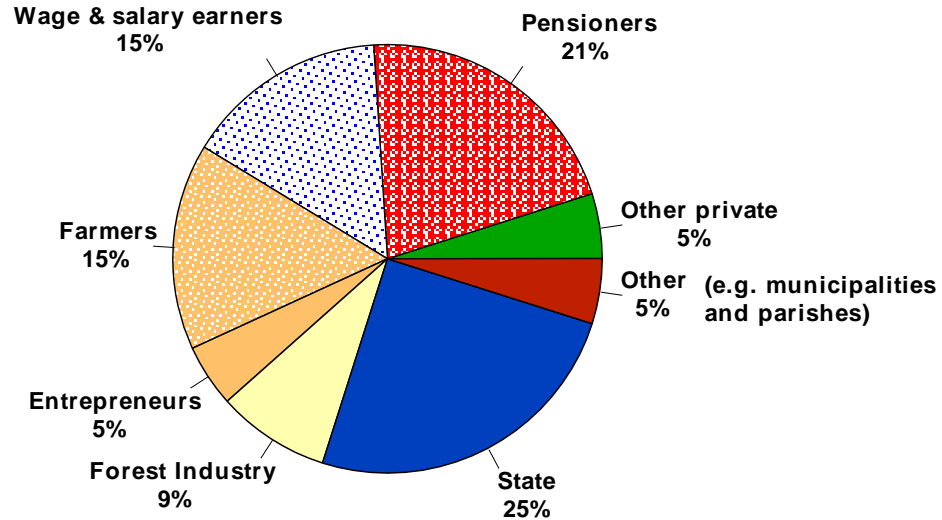


Source: Natural Resources Institute Finland

WHO OWNS FINNISH FOREST LAND?

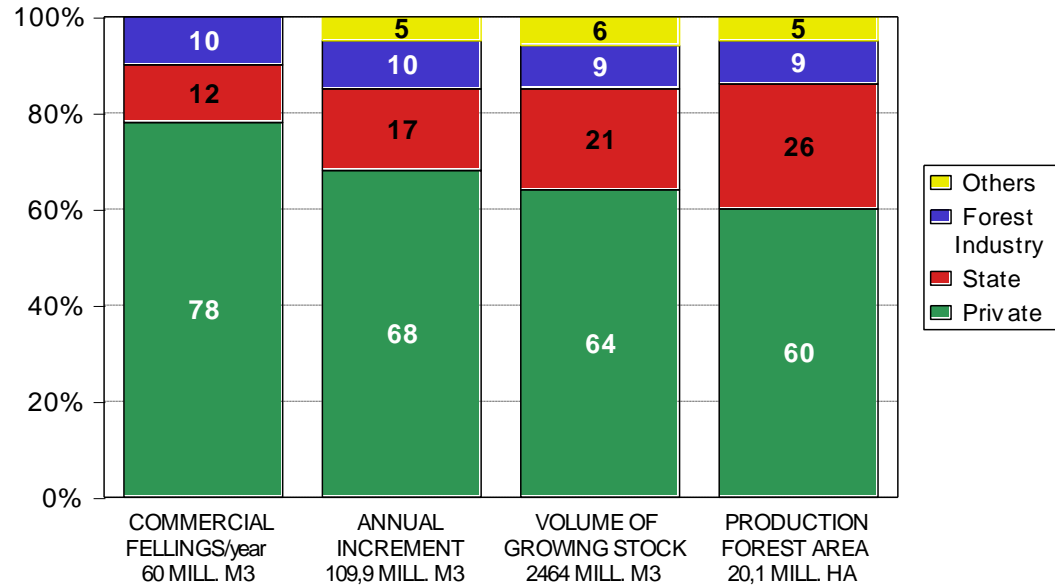
Share of forest area, %

Private families 62%*



Source: Natural Resources Institute Finland

FOREST OWNERSHIP STRUCTURE IN FINLAND



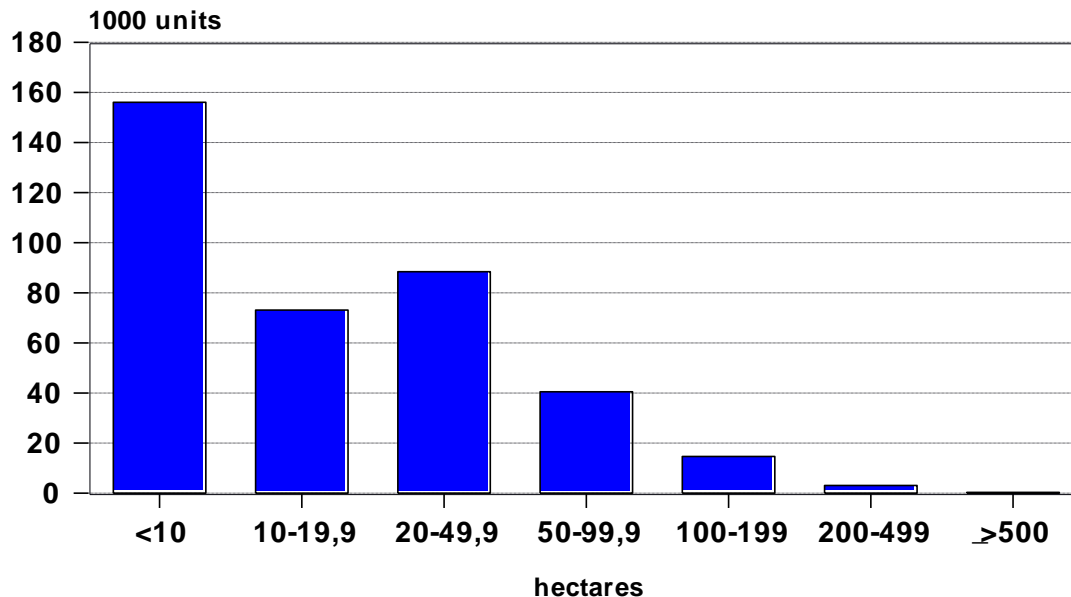
Source: Natural Resources Institute Finland

Family Forestry is characterised by

- Multiobjectivity
 - family forestry incorporates multiple values and functions
- Over-generational thinking
 - the needs of future generations are constantly borne in mind and the forest holding is handed down to the next generation in a further improved condition
- Various benefits and services provided to the society
 - e.g. Everyman's Right - the forests and waters are free for everyone to visit and enjoy

Number of Private Forest Holdings by Size Classes 31 Dec 2013

forest holdings with forestry fee 301 181 units, average size 34,4 ha



Source: National Board of Taxes

Family forest owners' priorities

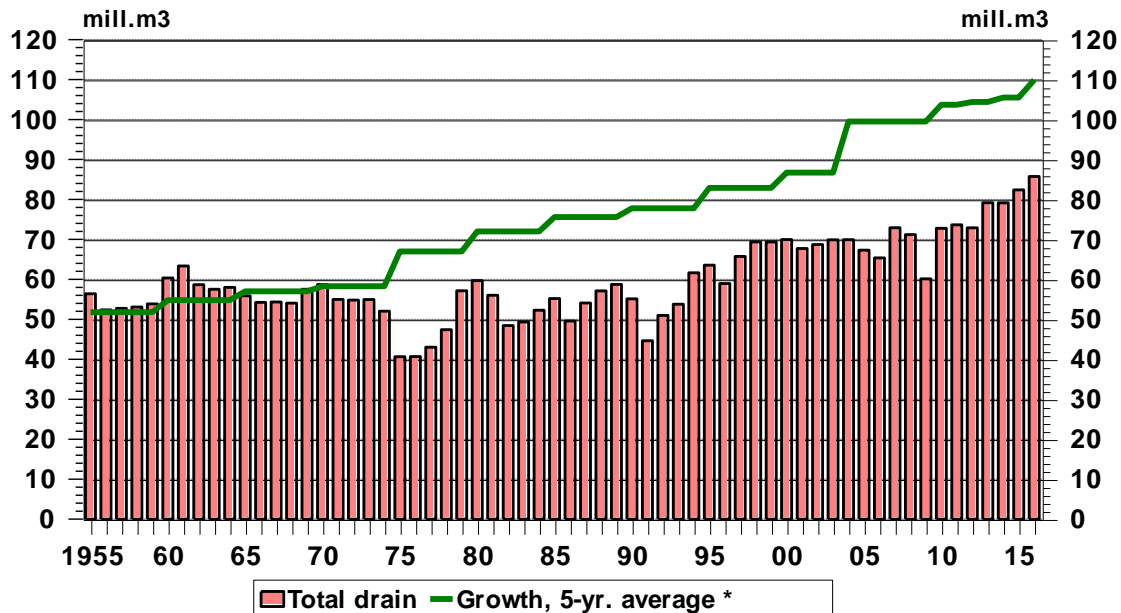
MTK promotes sustainable family forestry in accordance with the following principles:

- Landowners' constitutional rights are respected
- Forest owners have the right and the opportunity to manage and use their forests in compliance with their objectives
- Forestry is economically profitable
- Forests are managed in compliance with the principles of sustainable forestry
- All forest owners regardless of the size and location of forest has to have access to advisory and management services

Forest Management

- Wood production and protection of biodiversity combined
- Only domestic species used -> spruce, pine and birch account for 97 % of growing stock
- One tree stand (< 2 ha) treated at a time
- Long rotation period (60 – 120 years)
- Normally 2-3 thinnings and final felling -> forest management methods will diversify in the future
- => 80 – 90 % of the forest management activities in private forests are carried out by FMAs (= forest owners' associations)

TIMBER BALANCE IN FINLAND



Source: Natural Resources Institute Finland

* Growth incl. industrial roundwood (logs and pulpwood). In addition, annual harvesting potential of energy wood (i.e. logging residues and stumps) is 10-15 mill. m3.

MTK Organisation

FARMERS

**RURAL
ENTREPRENEURS**

**FOREST
OWNERS**

~ 331 000 members

Local Farmers Associations
(359)

Forest management
associations (FMA) (75)

REGIONAL FARMERS
UNIONS (14)

PROAGRIA ADVISORY
CENTRES

FUR BREEDERS´
ASSOCIATION

JOINT FOREST
ASSOCIATION

**THE OFFICE OF THE CENTRAL UNION OF AGRICULTURAL
PRODUCERS AND FOREST OWNERS (MTK)
Maaseudun Tulevaisuus (Newspaper)**

MTK - the Central Union of Agricultural Producers and Forest Owners

It...

- was founded in 1917 under Russian rule
- supervises the interests of farmers, forest owners and rural entrepreneurs at national, EU and global level;
- represents its members and related industries that use renewable natural resources in a sustainable way; and
- has ca. 331 000 members.



MTK - the Central Union of Agricultural Producers and Forest Owners

- A national central organisation of private forest owners, ~ 100 workers
 - to influence forest policy legislation
 - to protect the interests of the Forest Management Associations
 - to look after the private forest owners' interests in timber trade
 - Strategic management of FO organisation
- MTK has no position to oblige FMAs – all co-operation is based on voluntariness
- 30 % of operating costs is covered by membership fees, 70 % by capital income



The role of FMAs

Forest owners' service organisation on local level:

- FMAs are working in a close co-operation with the forest owners in all matters related to forests:
 - forest management services (harvesting, regeneration, ditching etc.)
 - training and planning services
 - timber sales services
 - practical organiser of PEFC group certification
- 80% of the forest management activities in private forests are carried out by FMAs
- 70% of preliminary planning of timber sales
- Employ 1000 officials and 400 permanent forest workers
- Employ also high number of contractors and entrepreneurs
- Activities financed by membership fee and business activities
- New FMA law (in force from 1.1.2015) is based on voluntariness and provides level playing field for all service providers. Forest management associations are still statutory organisations.
- Has enabled new models of cooperation between FMAs and forest industry



Forest management associations have a big role on timber markets

FMA's draw up 70 % of plans for timber sales

- Defining cutting areas, identifying valuable habitats and other necessary details
- Field work, marking off the cutting area, marking off the valuable flora and fauna and trees not to be cut
- Regeneration method selection
- Timber amount and price estimates
- Forest use declaration

FMA's make 40 % of the forestry sales on behalf of forest owners (power of attorney)

- Tender bid and comparison
- Forest owner always makes the final decision
- Contracts
- Supervision of harvesting and measuring
- Supplying information to forest owner

Family forestry manage for both wood production and biodiversity

- Forest owners invest 50-65 million € per year in forest environment and biodiversity
- Forest Act, § 10: Habitats of special importance for biodiversity shall be preserved
 - 100 000 sites in family forests
 - 50 000 - 60 000 has not included in the statistics on protected area

Evaluation of environmental quality of forest operation 2010:

- 95 % excellent or good
- 85 % of family forests are certified according to PEFC