

1<sup>ST</sup> EUROPEAN  
CONFERENCE  
**SMALL  
FOREST  
HOLDINGS**

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ROME » ITALY  
FAO Headquarters

## **Jointly owned forests in Finland**

**Kemijärvi jointly owned forest  
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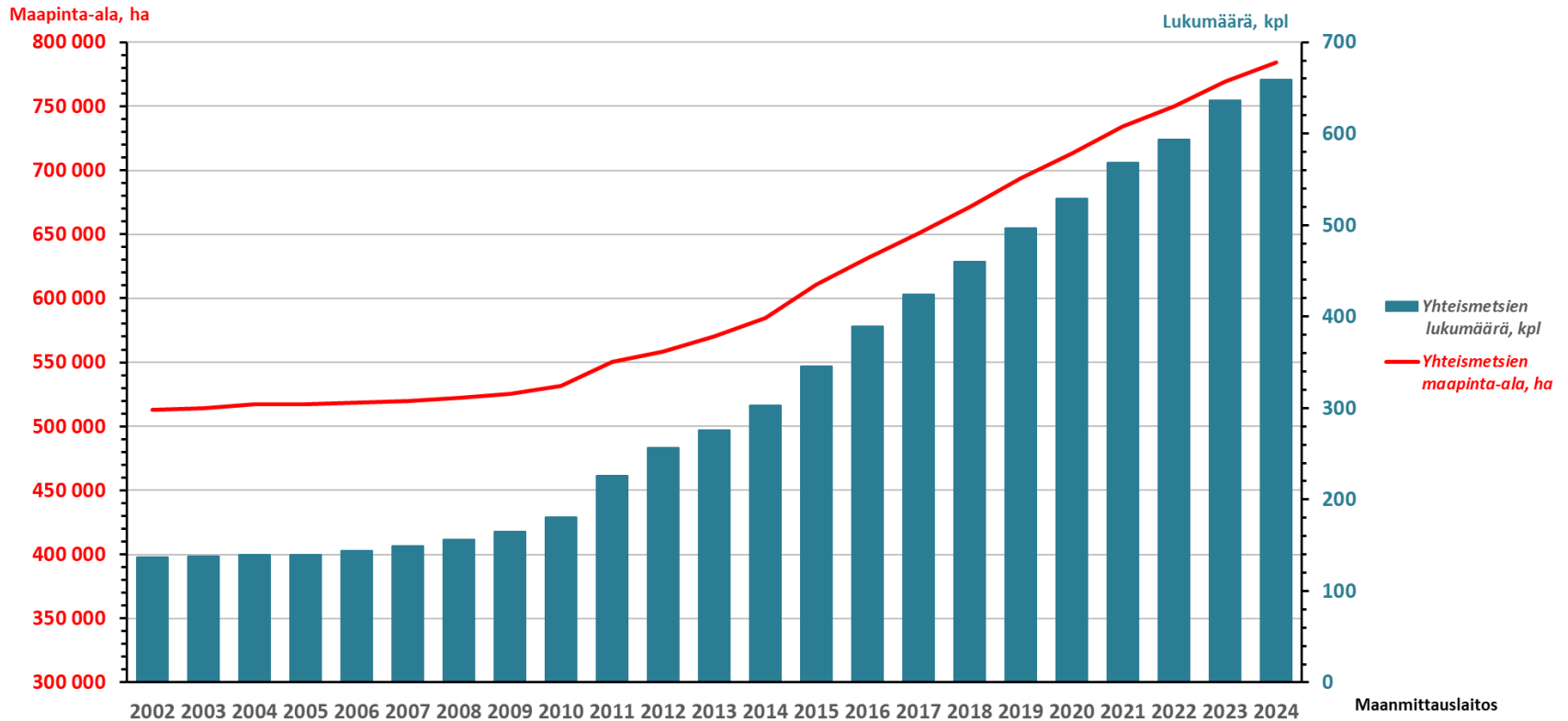
# 1. Jointly owned forests in Finland

- A jointly owned forest (JOF) is an area belonging to several real estates jointly.
- These privately owned land and water areas are managed by the partnership.
- The shareholders of a JOF are the owners of shareholding real estates.
- JOF is primarily intended to be used for practicing sustainable forestry for the benefit of shareholders.
- There is no other way to be a shareholder than to own a real estate with shares of JOF.
- Partnerships' meeting has the highest power of decision of the JOF.
- Shareholders' right to vote depends on the share in the JOF and the right to a surplus goes according to the share ratio.

# 1.1 Administration of a Jointly owned forest

- According to the Act on Jointly Owned Forests, a jointly owned forest has to have:
  - The rules of procedure
  - A forest management plan
  - An administrative board or an agent chosen by the partnership's meeting
  - An annual strategy and budget
  - Financial statement must be drawn up for each accounting period

## 2. Development of Jointly owned forests in Finland

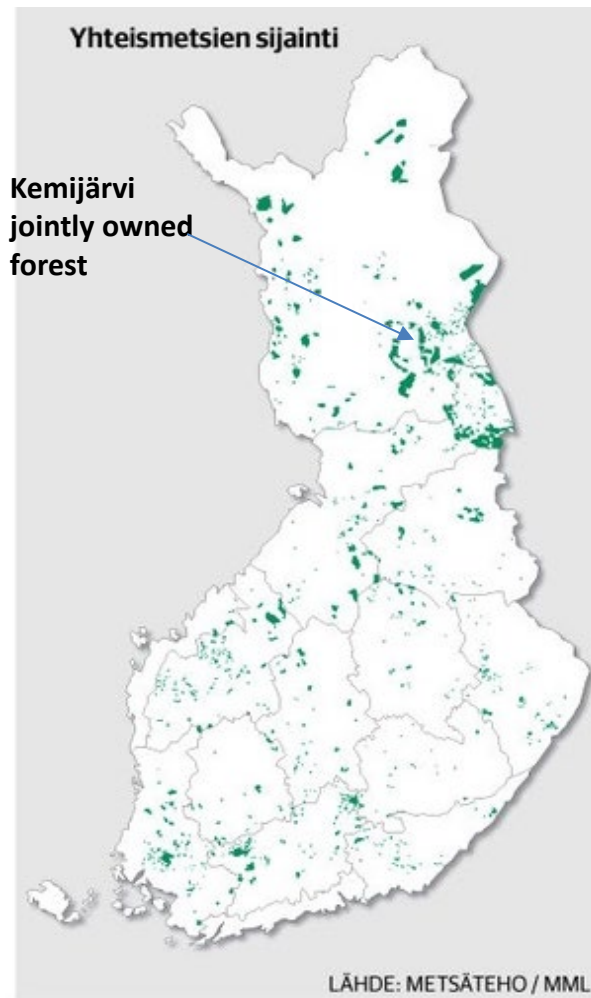


*Development of Jointly owned forests in Finland since 2002. Source: the National Land Survey of Finland*

## 2.1 Some reasons behind the development

- Comprehensive reform of the Act on Jointly Owned Forests in 2003
  - JOFs have been established through agreements between forest owners.
- Established only by the officials before 2003
  - A majority were established through the basic land consolidation and as JOFs for relocated settlements in the period 1930–1960.
- Establishment of Jointly owned forest is voluntary based for the forest owners
- Taxation is slightly lighter than in other private ownership forms (26,5 % vs. 30 %)
- JOF's area can be increased by
  - buying real estates
  - incorporating real estates into JOF against shares in the JOF
- The importance of advisory services and comprehensive land and forest owner registers is great:
  - The Finnish Forest Centre,
  - The Land Survey Of Finland,
  - The Central Union of Agricultural Producers and Forest Owners (MTK),
  - The Association of Finnish Jointly Owned Forests

## 2.2 Types of Jointly owned forests nowadays



- New jointly owned forests are mainly minor family forests.
- An increasing amount of JOFs have been established by investors.
- Municipalities and parishes are also increasingly interested in JOF partnership.

*Location of land areas of Finnish jointly owned forests. Source: the National Land Survey of Finland*

### 3. Advantages and challenges of jointly owned forests

#### Advantages:

- Excellent option to prevent fragmentation of forest ownership and forest real estates
- One good way to raise the level of forest management nationwide
- Long-term, well planned, efficient forestry
- Large scale economics
  - better stump prices of the sold timber, lower unit costs in forest management compared to those of small real estates
- Even and continuous profit for shareholders
- Recreational and hunting possibilities are better
- Easy form of forest ownership

|              | JOF'S | Other Private forests |
|--------------|-------|-----------------------|
| Median size  | 308   | 9                     |
| Avarage size | 1204  | 31                    |

*The size comparison between JOF's and other private forests in Finland 2025 (hectares).*

*Source: the Finnish Forest Centre*



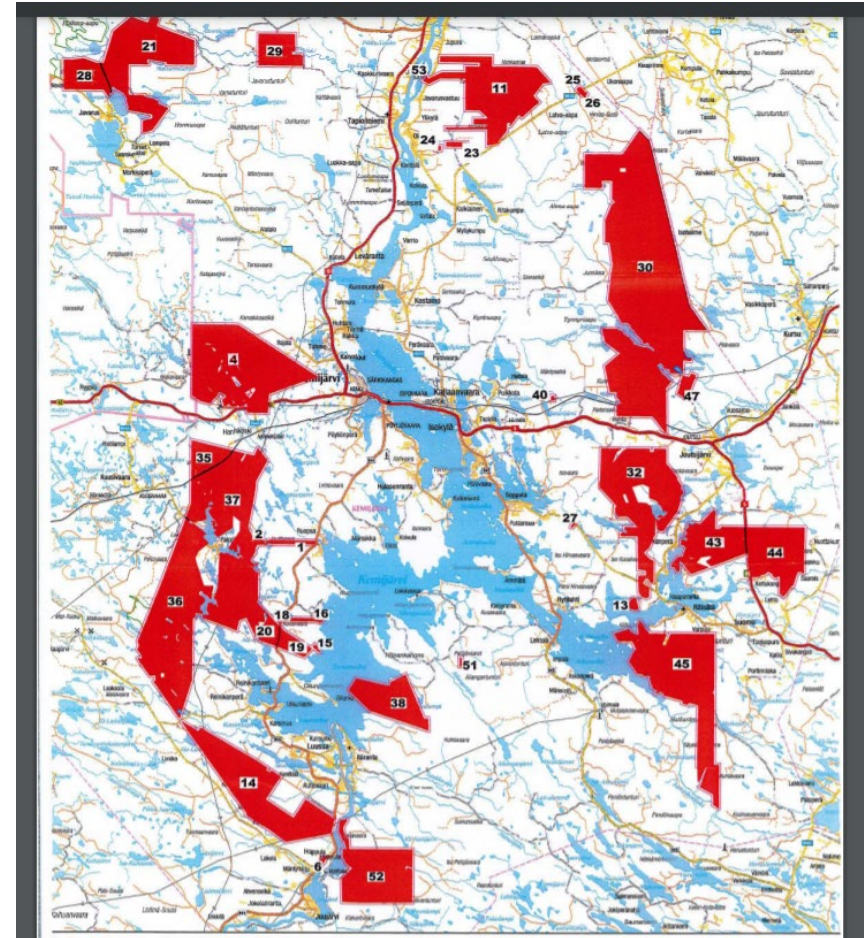
## 3.1 Advantages and challenges of jointly owned forests

### Challenges:

- Change of the character of forest ownership – Most forest owners want their own real estate
- Preconceptions against joint ownership
- Administrative costs of JOF may be high if not controlled

## 4. Kemijärvi jointly owned forest

- Year of establishment: 1935
- *Third biggest in Finland*
- Type of JOF:
  - *Land consolidation forest.*
- Total area:
  - At the point of establishment: 41363 ha
  - At present: over 47 000 ha
- In Kemijärvi JOF there are:
  - **2222** shareholding real estates.
  - **1943** shareholders
  - Total amount of shares: 50,408806
  - **9** members in the administrative board.
  - **2** employees.
- Forests are managed in accordance with the certificate of PEFC and FSC



## 4.1 Kemijärvi jointly owned forest

- Kemijärvi jointly owned forest has purchased 1660 ha of land and water areas during the years 2024-2015
- New areas totalling 739 ha have been incorporated against shares at the same time.
- The total turnover of Kemijärvi jointly owned forest was about 5 000 000 € in the year 2024.
- Out of total profits, about 90 % are forestry earnings.
- Other sources of profits: land rental for different purposes for example windpower, sales of hunting and fishing permissions etc.
- Long-term, efficient and well-planned forestry is in the interest of the shareholders, forest industry and a way to mitigate climate change





## 5. Additional information

- the Finnish Forest Centre  
<https://www.metsakeskus.fi/en>
- *the National Land Survey of Finland*  
<https://www.maanmittauslaitos.fi/en>
- *The Central Union of Agricultural Producers and Forest Owners (MTK)*  
<https://www.mtk.fi/web/en>

*Pages only in finnish:*

- *Kemijärvi jointly owned forest*  
[www.kemijarvenyhteismetsa.fi](http://www.kemijarvenyhteismetsa.fi)
- The Association of Finnish Jointly Owned Forests  
<https://suomenyhteismetsat.fi/>



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