



Network of knowledge for efficient private forests

O4: Good practice examples in optimization of forest operations Latvia

Co-operation of Forest-owners

Authors of the text: Māra Rozentāle, Grigorijs Rozentāls

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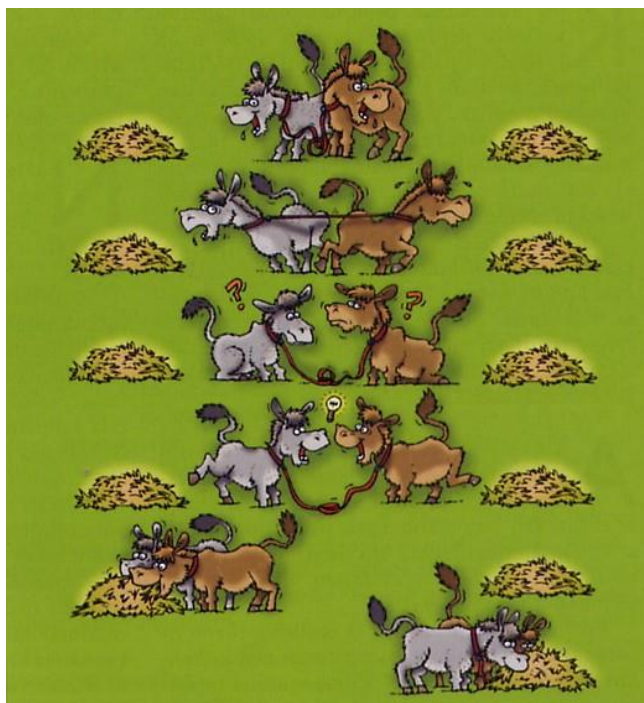


Co-funded by the
Erasmus+ Programme
of the European Union



Co-operation of Forest-owners

For historical reasons, when hearing word “co-operation”, for many Latvians it brings collectivization and kolkhozes to their mind. When those collapsed, “co-operation” (during the late eighties and nineties of the past century) was often about dividing the property that was previously shared. No need to say, such approach contradicts the classical general principles of co-operation.



Source of the image: www.metsagroup.com

As defined by the law of the Latvian Co-operative Societies Law, co-operative societies are associations of individuals united voluntarily to meet their common economic interests in an effective way. A co-operative is an enterprise controlled by and providing benefit for its members.

For a forest-owner, there are several advantages of being a member of such co-operative, such as:

- 1) He can sell round-wood and buy services within the framework he controls himself, which plays a great role in round-wood market; they can choose freely, whether to sell round-wood with the co-operative as a proxy, or no.
- 2) He can make his own decisions for forest management. He can choose to organize any assignment, hire contractors, carry out sawing, cultivating, thinning, clear-cutting on his own, sell his own round-wood to any buyer. Being in the co-operative does not imply losing his freedom, however it will offer an alternative – an option to have all the works done through the co-operative;
- 3) More sale of round-wood through the co-operative, while gaining bigger additional payments (all the profit that is not allocated for business development is divided among the cooperative owners, i.e., the members) at the end of the year;
- 4) Having a new professional contact in the enterprise, the owner can turn to in case of any forest-management issue and for advice and consultations;
- 5) Quitting the cooperative any time, if he finds the provided services unsatisfactory (when making such decision, the owner should file an application for the Board of Co-operative).

In Latvia, the idea of co-operation has re-emerged quite recently. The first forest-owner co-operative was founded, after the alterations were made on the Co-operative Societies Law in 2012. By early 2019 there were seven co-operative societies of forest-management services registered, while not each of them is guided by the general principles of co-operation. Technically, as per the definition of forest-owner co-operatives, in Latvia there are three co-operative societies active.

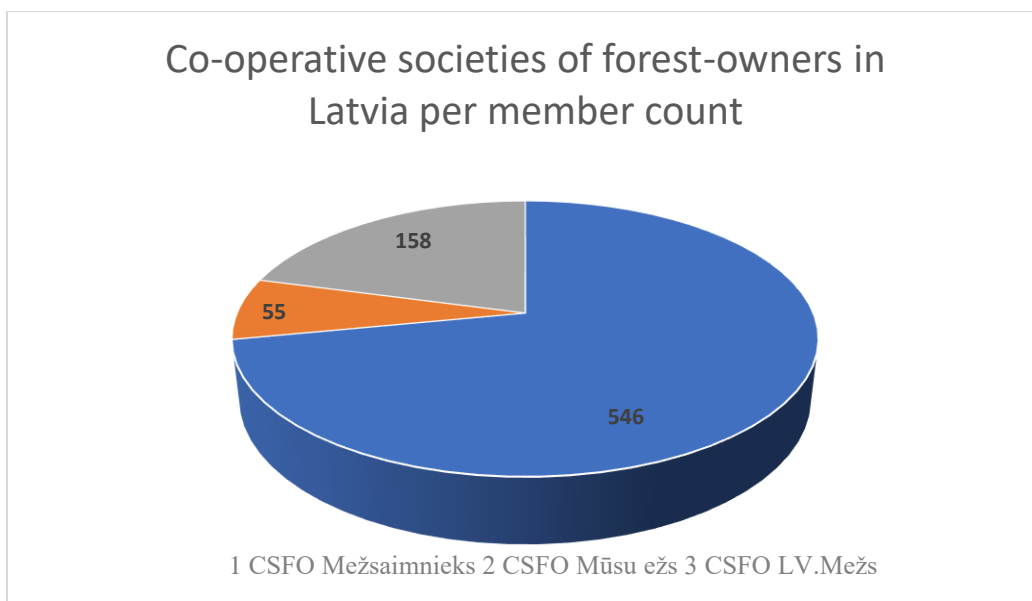


Figure: Co-operative societies of forest-owners in Latvia per member count by 31/12/2019

Despite growing rapidly, the total turnover of CSFO makes a small market share in Latvia, comparatively.

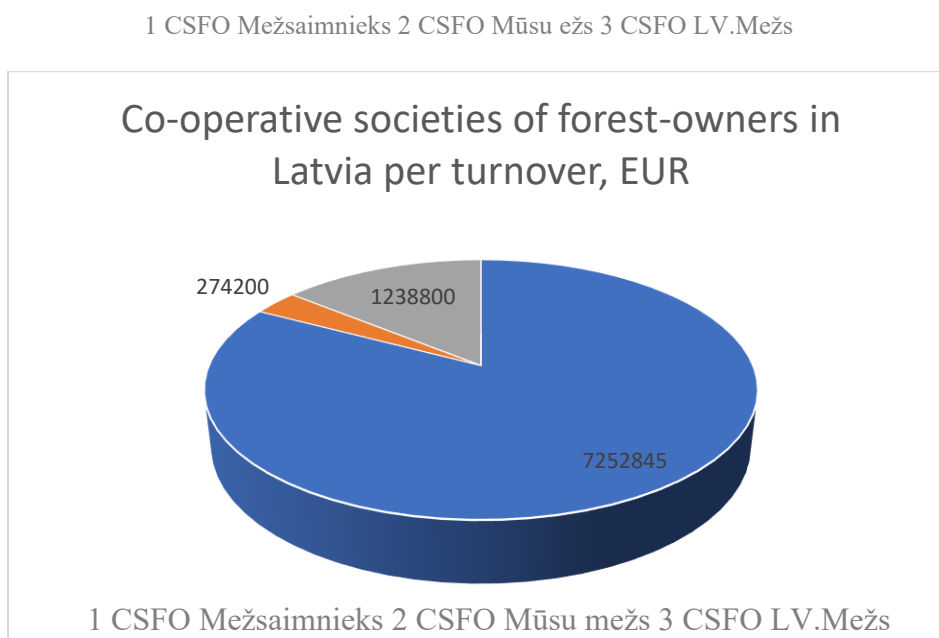


Figure: Cooperative societies of forest-owners in Latvia per turnover by 31/12/2019

Each co-operative has its own field of operation and vision of further development. The forest-owners who join the co-operatives in average each have forest area of slightly over one hectare.

The co-operatives are active in educating and informing the forest-owners and community, organizing individual and joint training for forest-owners, including those co-funded by the European Union.



Figure: Forest-owner training organized by CSFO Mežsaimnieks in 2019

Also, the co-operatives act on behalf of the forest-owner interests in other entities, for instance, in **Latvian Agricultural Cooperatives Association** and Latvian Forest Owners' Association, thus promoting establishing forest owner-friendly legislation in the field of forestry.

The Latvian co-operation of forest owners is seen as an example for good practice, as it is growing slowly since 2012, ensuring the small forest owners in Latvia can also enjoy beneficial conditions in managing their forests.

Information sources:

1. Guide “*Kas jāzina meža īpašniekam*” (What every forest-owner should know), Association “*Meža īpašnieku kooperācijas atbalsta centrs*” (Support centre for the co-operation of forest-owners) and Latvian State Forest Research Institute Silava, 2017
2. Leaflet “*Meža īpašnieku kooperācija Latvijā*” (Co-operation of forest-owners in Latvia); Latvian Rural Advisory and Training Centre, 2011
3. www.lvmgeo.lv
4. www.mezsaimnieks.lv
5. www.mezaipasnieki.lv