

**Collective Forests and Fast-growing
and high-yielding forest Plantations
in Fujian:**

Experiences and Lessons

福建：集体林和速丰林发展经验和教训

Wang chunfeng

Department of Afforestation
State Forestry Administration

Introduction

Study Purpose

Identifying current policy constrains toward the development and try to draw some lessons and to put forward suggestions for facilitating the development of collective forest and fast-growing forest in the province

Methodology

1. Literature review

2. Semi-structured interview

interviewed forestry agencies at provincial, prefecture, county, and township levels, private and state-owned wood-processing companies, villages, and households

3. Households survey

4. Field investigation

Natural conditions and forest resources in Fujian Province

1. Geographic location

115°50'to 120°30'East; 23°30'to 28°20'North
121,400 km²

2. Topography Mountain area : 80%

3. Climate Precipitation 1100-2000mm , sub-tropical

4. Forest types

- Evergreen broadleaved forests in central Fujian
- Seasonal evergreen broadleaf forests in southern Fujian

The image features a dark blue background with a light blue curved shape on the right side. The word "Background" is written in a red, rounded font in the center.

Background

Current status of collective forests

- 90% forestland and forest resources are under the management of collective; of which, 1.63million ha of forest managed by collective forest farms
- 80% timber on market from collective
- Tenure and management types tend to be diversified accompanying with current collective reform, featuring endowing more rights with household

Fast-growing forest plantation development process

- From 1960's to 1980's: subsidized by central and local government, centered with state or collective-owned forest farms
- In 1990's: National Afforestation Project and Forest Resources Development and Protection Project
- After 1990's: wood-processing enterprises play an important role in the plantation development

Current timber market: increasing wood demand

- ◆ 2,000 wood-processing enterprises
- ◆ Since 1998, the output of paper and paper-related products are increasing at more than 20% annually
- ◆ **Example: Zhangzhou City in 2003**
 - Wood demand: 3 million m³
 - Local supply: 0.18 million m³
 - Imported radiant pines: 0.7 million m³

Development strategies on fast-growing forest plantation

- 2 million ha of plantation is planned to be established by the end of 2015,
 - Pulp forests: 0.67 million ha
 - Panel forests: 0.60 million ha
 - Rare tree species forests: 0.06 million ha
 - Others : 0.67 million ha
- Ways to establish planned plantation
 - Paper and panel-making company 40%
 - State-owned forest farms 18.3%
 - Rural collective forest farms(community) 33.3%
 - Individual, private, foreign company 8.3%

Main policies for developing the plantation

- Any legitimate entities and individual are permitted to invest for establishing forest plantation
- Based on realistic necessity on plantation management, within one rotation, the forest properties established by legitimate entities and individuals can be freely transferred, inherited and donated.
- The annual allowable cutting quota for the plantation newly established can be planned and ratified separately without strict limitation, the plantation manager can decide when the plantation should be cut off by following market requirements,
- The annual allowable cutting quota for the plantation over 66.67 ha managed by individual or for the plantation over 1333.3 ha aiming at cultivating wood-processing material can be separately applied and ratified by following simplified application procedures.
- The inception year of forest thinning , thinning interval and thinning intensity for forest plantation in young and middle age will be totally called off.
- The plantation operator can apply for bank loan through mortgage by using the legitimate tenure and ownership of their plantation.

Development tendency of the plantation

- Domestic state and private-owned wood-processing enterprises are playing more and more important role in the development of forest plantation in the province
- With international wood-processing company involved, the competition among different wood-processing enterprises both domestic and international to acquire sufficient forestland qualified for developing plantation is being more and more ferocious

Analysis

- Analysis of collective forest management type and its impact on local households
- Analysis of the developing models of company plus households

Analysis of collective forest management type and its impact on local households

Household selection of management model for collective forest

Management model	Qiao	Xi	Qin	Hua
Assigned to each household and managed by themselves	27%	53%	53%	27%
Unified management by village committee	27%	0%	47%	13%
Contracted by individual with management capacity	33%	27%	0%	20%
Leased by company	13%	20%	0%	27%

Reasons against unified managed by village committee

Reasons against unified managed by village committee	Qiao	Xi	Qin	Hua
Since the forest originally belongs to households, it should be returned to household in case small interest group occupy it	9%	7%	0%	7%
Unified management by village commission cannot effectively motivate local farmers activity and their responsibility toward collective forest, making collective forest prone to be artificially damaged;	51%	47%	100%	80%
They can benefit more from the management of forest allocated to them.	40%	46%	0%	13%

Purposes for household to manage collective forest

The purposes for household to manage forest	Qiao	Xi	Qin	Hua
Increasing family income	27%	73%	67%	40%
Keeping a patch of forest for next generation	13%	0	0	40%
Improving ecological environment around village	33%	0	0	7%
Providing timber for family usage	27%	27%	33%	13%

Household participation in the process of tenure transfer

When collective forest in your village is to be contracted out or leased out either by individual or by company, whether villager' commission in your village hold a village meeting to solicit opinion of households in various forms	Qiao	Xi	Qin	Hua
Yes	100%	40%	100%	94%
No	0%	60%	0%	6%

Impact from collective forest management on household livelihood

Importance of collective forest management on households livelihood	Qiao	Xi	Qin	Hua
Important	27%	40%	67%	47%
Medium important	40%	47%	33%	20%
Less important	33%	13%	0%	33%

Household preferential selection of forest type

Forest type	Xi	Qin	Hua
Fruits (cash forest)	60%	80%	20%
Timber forest	40%	20%	60%
Shelterbelt forest	0	0	7%
Fuelwood	0	0	13%

Impact on household from current forest policies

A. Impact of annual cutting quota on household management of forest

Do you know you need to at first apply for cutting quota when you want to cut forest	Qiao	Xi	Qin	Hua
Yes	53%	60%	100%	100%
No	47%	40%	0	0

procedure to apply for cutting quota

Whether the procedure to apply for cutting quota is easier or not?	Qiao	Xi	Qin	Hua
Easier	/	/	14%	7%
Difficult	/	/	60%	87%
Very difficult	/	/	26%	7%

Elements influencing household's decision on cutting off forest

Elements influencing household's decision on whether they will cut off forest they managed or not	Qiao	Xi	Qin	Hua
Forest age	20%	60%	80%	26%
Cutting quota	47%	13%	0	54%
Timber price	13%	27%	20%	20%
Labor force	20%	0	0	0

B. Impact of tax and fee-levied related on collective forest management

Do you know you must pay relevant taxes and fees when you cut off forest and sell timber?	Qiao	Xi	Qin	Hua
Yes	33%	13%	100%	87%
No	67%	87%	0	13%

Information sources to know about the policy mainly be relied on forestry agency

How do you know you must pay relevant taxes and fees?	Qiao	Xi	Qin	Hua
From village cadre or staff working in forestry agencies	33%	13%	93%	60%
From other informative person except for village cadre or staff working in forestry agencies	13%	60%	7%	20%
From person doing timber business	27%	0	0	20%
From public media sources like television or websites	27%	27%	0	0

Household's opinion on whether planting trees

Can planting tree earn money for your family?	Qiao	Xi	Qin	Hua
Yes	33%	60%	53%	80%
No	67%	40%	47%	20%

Reason of households' choose of different management of timber forest

Why do you think that management of timber forest can make money?	Qiao	Xi	Qin	Hua
Market price of timber is fairly good	30%	47%	13%	33%
Less tax and fee levied	30%	13%	0	33%
Formed a contract for sell with a fixed price with timber businessman	20%	20%	60%	27%
Formed a contract for sell with a fixed price with timber related company	20%	20%	27%	7%

Why timber forest cannot earn money?

Why do you think that management of timber forest cannot earn money?	Qiao	Xi	Qin	Hua
Market price of timber is lower and tax and fee-levied is higher	27%	34%	67%	27%
Market price of timber is higher, but tax and fee-levied related to selling timber is higher	27%	27%	13%	47%
Businessman control timber price when they buy timber directly from households in countryside	46%	33%	20%	20%
Timber from the tree species planted is not fit for market demand	0	6%	0	6%

Analysis of the developing models of company plus households

The rationale of the model

	1	2	3	4	5
You like to cooperate with big company to develop fast-growing forest plantation, mainly because					
Big company has a better credit record	√		√	√	
Big company owns the advantage on afforestation investment	√	√	√	√	√
Big company has signed a reasonable buying contract for timber, ensuring timber produced can be sold at a reasonable price	√	√	√	√	√
Big company can provide some technique supports for household in the process of afforestation				√	

Current contract forms and its operational process

What is the most favorite contract form for you?	Percentage
The first contract form	47%
The second contract form	33%
The third contract form	20%

Benefits and risks for each household

When current timber price is much higher than that set by the contract you signed with the company, how do you deal with the situation?	Qiao	Xi	Qin	Hua
Continuously follow the contract and sell timber with fixed price to the company	39%	0	100%	47%
Renegotiate with the company and expect the company to raise timber price based on current market, if the company does not agree, I will sell timber to the company by following the contract signed	47%	7%	0	40%
Renegotiate with the company and expect the company to raise timber price based on current market, if the company does not agree, I will sell timber out directly	7%	53%	0	7%
Do not tell the company and secretly sell timber out	7%	40%	0	7%

Ways to reduce risks for company and households

What are you main worries after you have signed a contract with company to planting fast-growing forest?	1	2	3	4	5
Worry about the company will not keep original contract signed	√			√	
Worry about forest planted cannot arrive at designed growth rate and cannot generate profits	√		√		√
Worry about destruction caused by illegal cutting	√	√		√	
Worry about natural disasters caused by forest fire and pests and disease	√	√	√	√	√

Lessons and suggestions

Lessons

- **Current collective forest ownership reform is still incomplete, local farms in some area can benefit few from the reform**
- **In the process of the tenure transfer of collective forest, no standardized rules and qualified personals can be employed to evaluate forest resources property.**
- **Higher proportion of taxes and fees levied by various governmental agencies are blocking the activity of household to manage forest and develop plantation**
- **The criteria on what kind of existing forest resources can be transferred into plantation are still in shortage**
- **Current annual cutting quota system to some extend is constraining the activity for households to manage forest and establishing forest plantation**

Suggestions

- **Ownership reform in collective forest region should be accelerated. The core of the reform is that completed ownerships including tenure, disposal of property, should be endowed completely with local households.**
- **Not only relevant rules on decision-making process at grass root level should be established or perfected but also the monitoring on how these rules are being implemented should be strengthened**
- **Current forest management rules related to forest plantation remain to be further reformed based on classified forestry management principle**
- **Strengthen the dissemination of market and forestry policy related information to households through various public channels**
- **The items on taxes and fees levied currently should be standardized, and some items levied should be cancelled, while the proportion levied should be further reduced**
- **The criteria on what kind of secondary forest can be converted into plantation should be formulated as soon as possible**

Thank you very much!