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Forestry and Other Gainful Activities on Norwegian farms

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Agenda

- Forestry
 - History and development
 - Forest Survey
 - New methodology
- Other gainful activities
 - Prevalence
 - Access of data
 - Challenges

Use of farm resources in Norway



Historical background

- Many farmers usually worked in forest during the winter.
- Horses were used to transport timber
- Export of timber to Europe from 1500 and onwards
- Paper mills were built around 1850
- New technology and machinery

Logging with horse



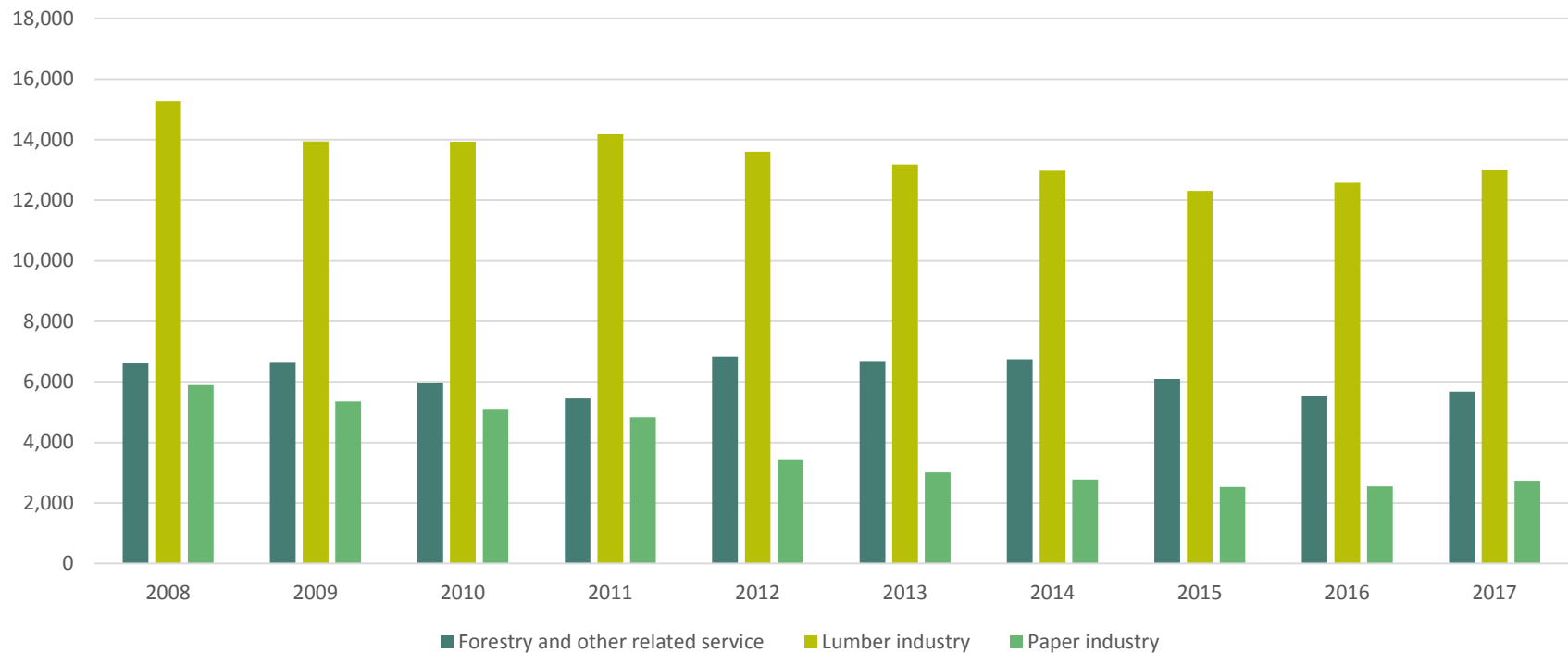
Logging with tractor and winch



Logging with forest machinery



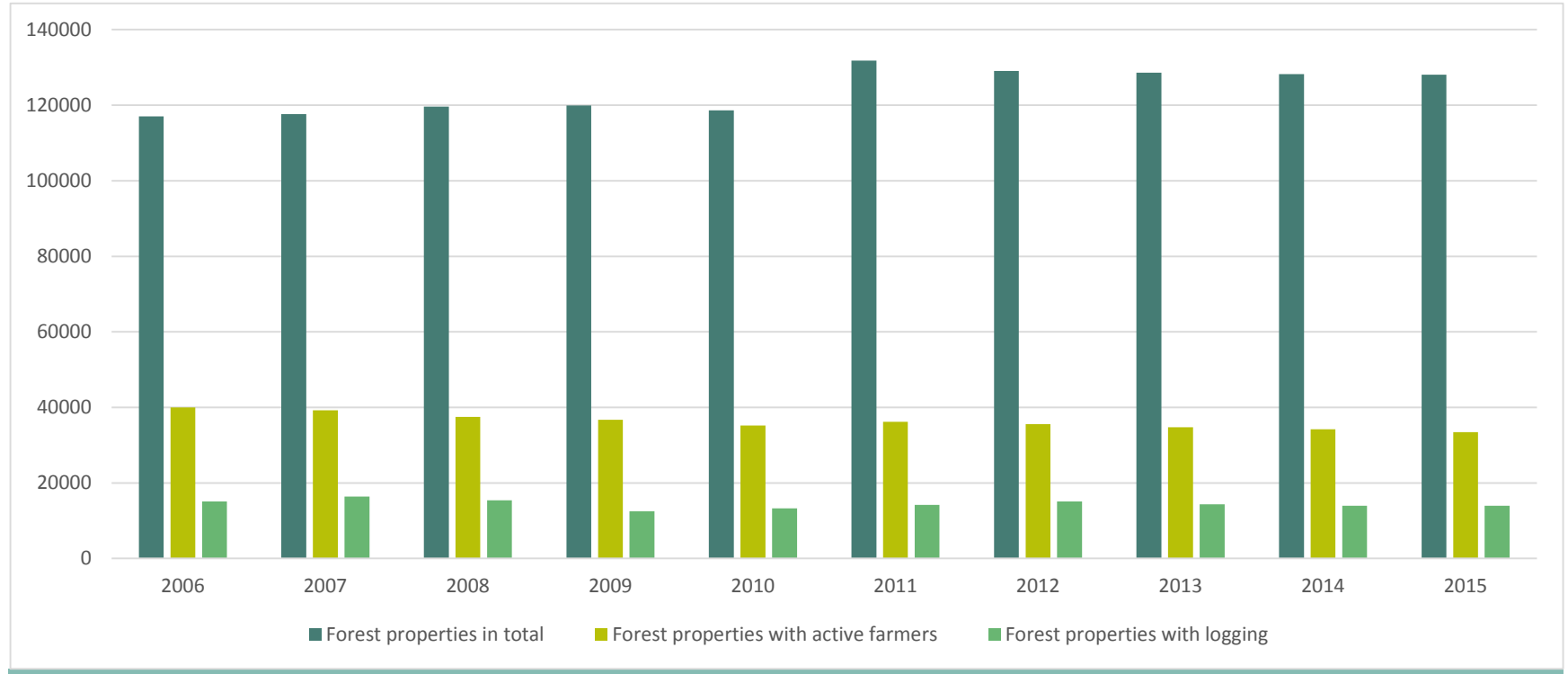
Employment in the forest sector in Norway



Ownership structure

- Over 90 percent of forest area owned by private persons
 - State, counties and others owns the rest)
- Many of the forest properties are small
 - 60 percent have less than 25 hectares of productive forest area.
- 25 percent of the properties are owned by active farmers

Ownership structure



Farm Forest Survey

- Started registrations in 1964
- Consists of a sub sample of 140 holdings (250)
- Divide holdings into regions and size based on sustainable yield m^3/year .
- Data sources for farm forestry
 - Tax accounts
 - Administrative data (Norwegian Agricultural Agency)
 - Farmers (labour, terrain type, time of logging, length of transport)

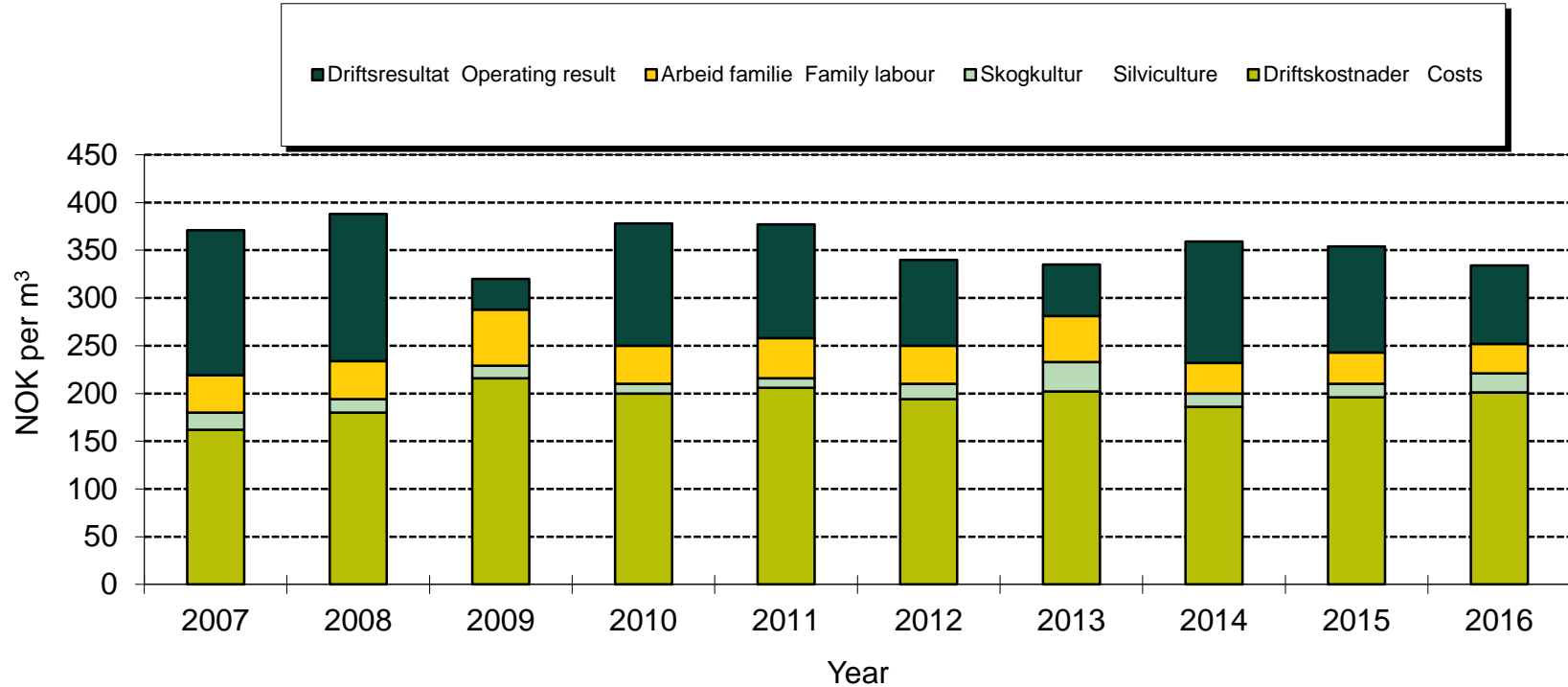
Result measures in farm forestry

- Net income
 - Both by region and sustainable yield

Output

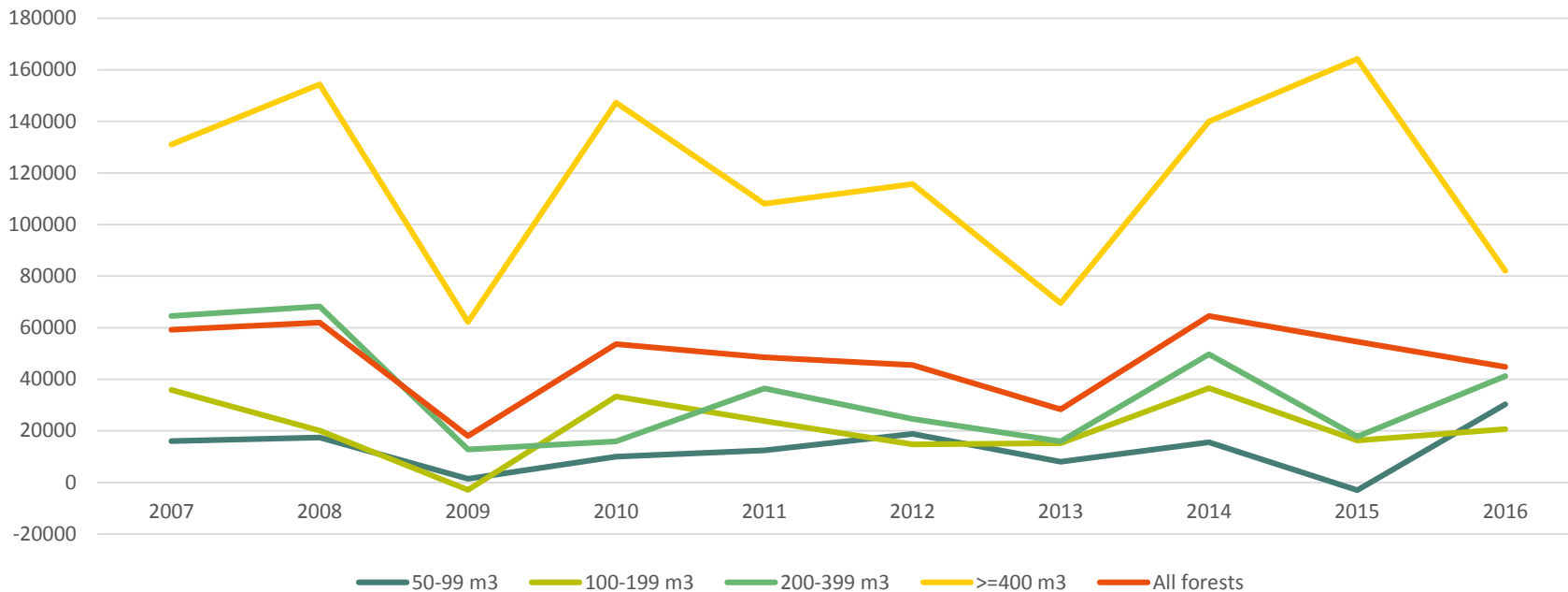
- Costs excluding silviculture
 - = **Result before silviculture**
 - Silviculture (net)
 - = **Net income**
-
- Operating result

Net income per m³



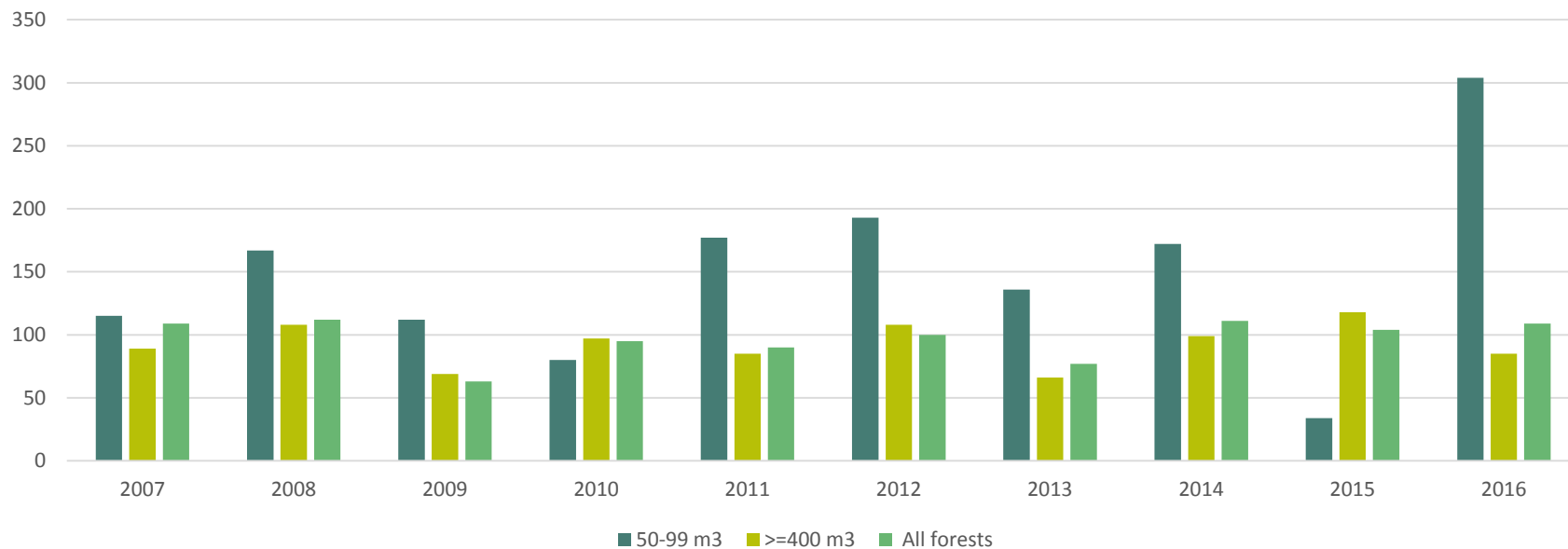
Net income by sustainable yield

Net income from forestry -All forests



Logging activity

Roundwood cut as percentage of sustained yield,
all forests



New approach for farm forestry survey

- From a sub sample, to all holdings in Farm Business Survey
 - Varying logging activity
 - Have to set a certain threshold (amount of m³ logged)
 - Fuelwood (Tax purposes)
- Provides better data
 - Regions with few holdings can have large variations from one year to another.
 - Larger sample

Advantages and disadvantages

Advantages

- More observations from active farms

- Better data quality from farm forestry

- Information from new regions will be available

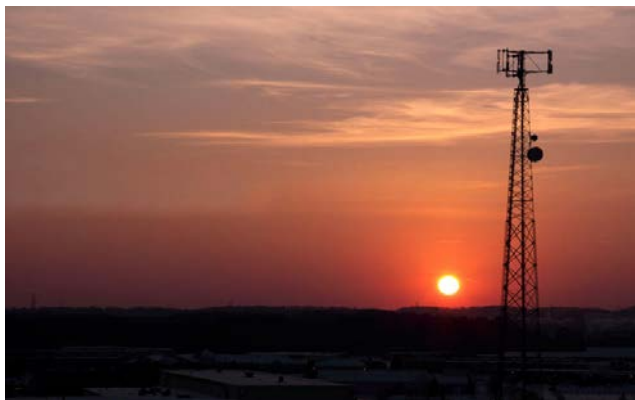
Disadvantages

- Additional information about forestry disappears

- Less continuity in the material

Results

Other Gainful Activities



Definition of Other Gainful Activities according to the Norwegian Business Survey

Business activity on Norwegian farms based on the resources of the farms without agriculture and forestry

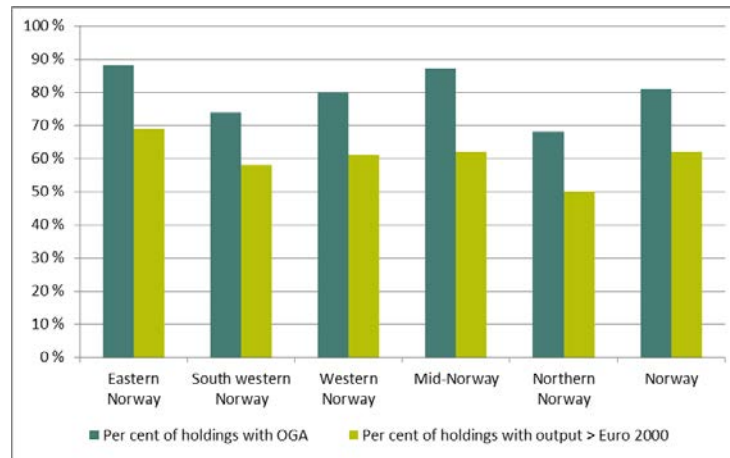


Interest of other gainful activities

- Norwegian Farmers have always used farm resources for other gainful activities
- Renewed involvement from the authorities in the nineties
 - Keep settlement and business on smaller farms
- Started registration in 1997 (split up off farm and on farm businesses)

Prevalence

- Other gainful activities registered on 81 per cent of the farms in the survey
- 62 per cent of the farms have output > Euro 2 000
- Vary with farm type, size and region

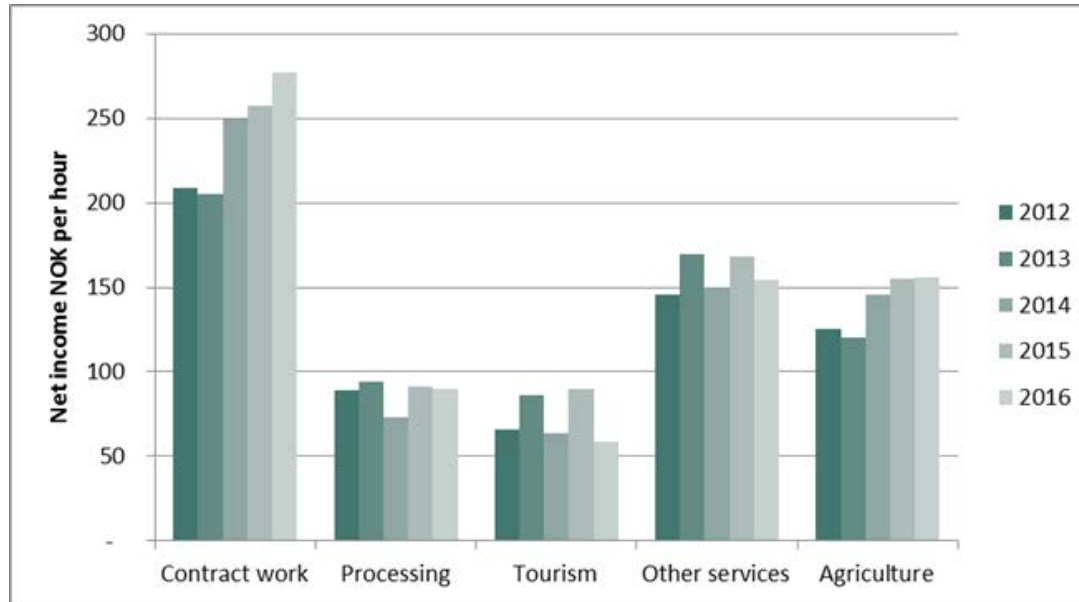


Classification

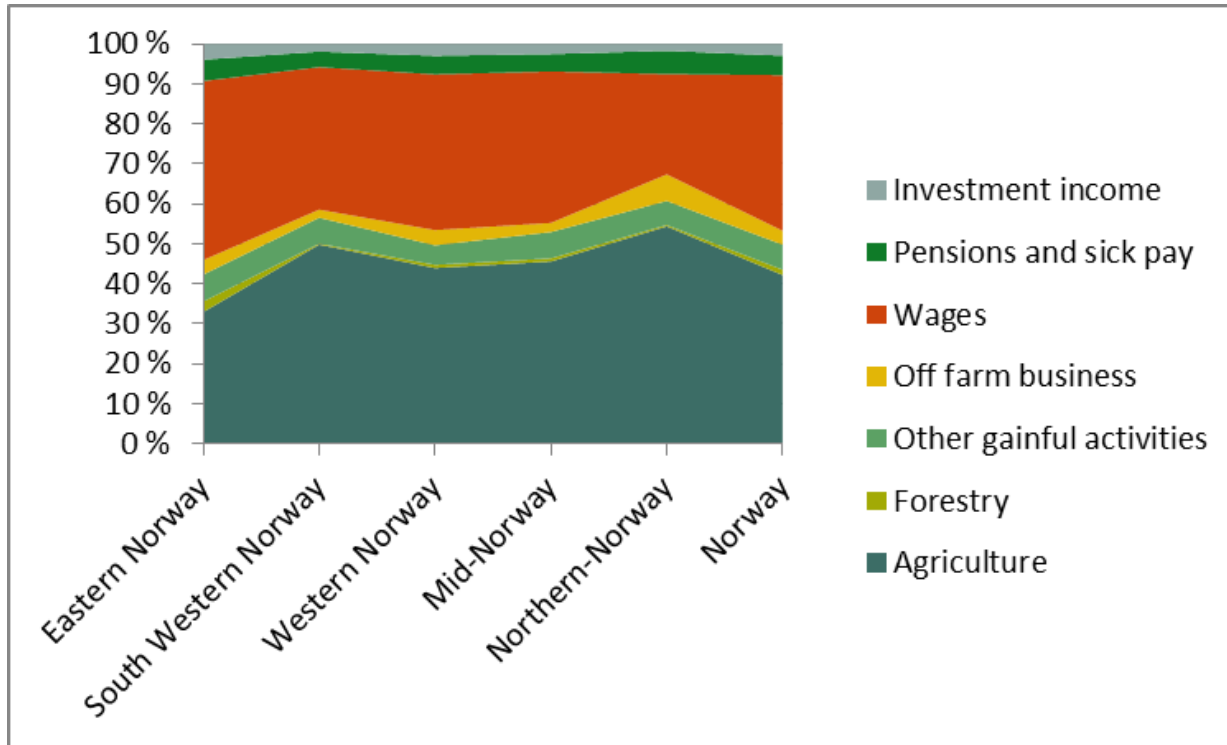
- A lot of different activities registered on the farms
- 6 main groups of activities
 - Renting houses and land
 - Contract work
 - Processing (Fuelwood, cheese, cider)
 - Businesses on uncultivated land (hunting, guiding, fishing rights)
 - Tourism
 - Other services (Green care, kindergarten, school classes)

Results

Profitability in different classes the last five years



What is the importance of the OGA for family income?



Data sources for OGA

- Tax accounts
- Administrative data
- Farmer

Challenges for handling OGA in data systems

- Difficult to split costs in different activities if it is lacking in data files
 - Easy if tax account is split between activities in project or departments
 - New coding system for agriculture does not include OGA yet
- Little information about OGA in tax accounting files
- Working on new standards for OGA in Norway
 - Business code, department or project?
- Other surveys (Statistics Norway, frequency)

Thank you for your attention!