

### 3.3.2 FORESTRY PRODUCTION

The exploitation of Mexico's forests is subject to a prior authorization granted by the Secretariat for Agriculture and Hydraulic Resources (Secretaría de Agricultura y Recursos Hidráulicos - SARH) for the specific exploitation of certain areas and varieties. During 1991, a total of 4,585 authorizations were granted, as compared to 2,355 in 1990 and 4,313 in 1989. The following table lists authorized volumes by species and actual production:

SPECIES	AUTHORIZED VOLUME 000 m3 logs			PRODUCTION VOLUME 000 m3 logs		
	1989	1990	1991	1989	1990	1991
Pine	10,823	6,702	9,933	7,462	6,817	6,437
Other coniferae	611	305	533	311	303	303
Oak	3,208	2,279	3,029	438	383	383
Other leafed	330	261	337	170	190	154
Precious	127	14	25	74	40	39
Tropical	794	161	683	433	369	367
<b>TOTAL</b>	<b>15,893</b>	<b>9,722</b>	<b>15,183</b>	<b>8,888</b>	<b>8,102</b>	<b>7,683</b>

Source: Memoria Económica 1990-1991 and 1991-1992 - CNIF

Until 1991, the vast majority of forestry resources, estimated at 80% of total forested areas, were in the hands of ejidos or community properties, which were officially assigned by the Secretariat of Agricultural Reform (Secretaría de la Reforma Agraria - SRA). The remaining 15% was held by small proprietors and the state. This structure of land holdings was mostly intended to distribute the land to a large number of families for agricultural purposes or eventually for cattle raising, both of which are basically short term activities. This created a strong competition to forestry, which has a long term yield and requires large and long term investments. Additionally, agreements for the concession of land for the exploitation of forestry resources were only valid for one year (as opposed to 20 years before President Echeverría). This made investment in the sector riskier and long term exploitation and reforestation more difficult. With the amendments to Article 27 of the Mexican Constitution in 1992, the ejido structure will tend to disappear in favor of small private properties. The new Forestry Law will regulate this new land tenure system and will allow for long term investments in forestry and wood exploitation. Other structural problems the local industry has faced are the high transportation costs since, due to lack of rivers, wood has to be hauled over land on trucks, mostly on narrow mountain roads which do not allow massive transportation. This factor significantly increases exploitation costs and makes competition with imported products difficult.