

## 4.2 PRODUCTION

The exploitation of Mexico's forests is subject to a prior authorization granted by the Secretariat of Agriculture and Hydraulic Resources (Secretaría de Agricultura y Recursos Hidráulicos - SARH) for the specific exploitation of certain areas and varieties. During 1988, a total of 4,313 authorizations were granted. The following table lists authorized volumes by species and actual production:

SPECIES	AUTHORIZED VOLUME 000 m <sup>3</sup> logs	PRODUCTION VOLUME 000 m <sup>3</sup> logs
Pinus	10,823	7,462
Other conifers	811	311
Oak	3,208	438
Other leafed species	330	170
Previous	127	74
Tropical	784	433
<b>TOTAL</b>	<b>18,993</b>	<b>8,988</b>

The vast majority of forestry resources, estimated at 80%, are in the hands of ejidos or community properties, which are officially assigned by the Secretariat of Agriculture and Hydraulic Resources (Secretaría de Agricultura y Recursos Hidráulicos - SARH). The remaining 20% is held by small proprietors and the state. The 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 has 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 are only valid for one year (as opposed to 20 years before President Cárdenas). This has made investment in the sector rather and long term exploitation and reforestation more difficult. Other structural problems the wood industry has to face are the high transportation costs since, due to lack of rivers, wood has to be hauled over land on trucks, mostly on small mountain roads which do not allow massive transportation. This factor significantly increases exploitation costs and makes competition with imported products difficult.

Mexico's total production of timber products, in thousands of m<sup>3</sup> logs, between 1985 and 1989 was as follows:

PRODUCT	1985	1986	1987	1988	1989
Sawing (1)	8,082	8,808	8,137	8,840	8,907
Pulp	2,884	2,410	2,884	2,881	2,949
Posts & piles	237	173	148	184	188
Fuel	484	454	483	488	483
Shingles	278	413	348	204	182
<b>TOTAL</b>	<b>8,948</b>	<b>8,958</b>	<b>8,791</b>	<b>8,314</b>	<b>8,888</b>

(1) Includes boards, packaging wood, carved wood, wood for veneer, wood waste, pieces for sawmills and veneer and other log products.