

## 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 1989, a total of 4,313 authorizations were granted. The following table lists authorized volumes by species and actual production:

SPECIES	AUTHORIZED VOLUME 000 m3 logs	PRODUCTION VOLUME 000 m3 logs
Pine	10,823	7,462
Other conifers	611	311
Oak	3,208	438
Other leafed species	330	170
Precious	127	74
Tropical	794	433
<b>TOTAL</b>	<b>15,893</b>	<b>8,888</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 Agricultural Reform (Secretaría de la Reforma Agraria - SRA). The remaining 15% is 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 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 Echeverría). This has made investment in the sector riskier and long term exploitation and reforestation more difficult. Other structural problems the local 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 m3 logs, between 1985 and 1989 was as follows:

PRODUCT	1985	1986	1987	1988	1989
Scantling (1)	6,082	5,508	6,137	5,840	5,807
Pulp	2,864	2,410	2,664	2,591	2,349
Posts & piles	237	173	149	164	156
Fuel	484	454	492	495	443
Sleepers	279	413	349	224	133
<b>TOTAL</b>	<b>9,946</b>	<b>8,958</b>	<b>9,791</b>	<b>9,314</b>	<b>8,888</b>

**Note:** (1) includes boards, packaging wood, carved wood, wood for veneer, wood waste, pieces for sawmills and veneer and other log products.