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EXPANDING TEXAS HARDWOOD MARKETS

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Background. Texas' forest industry and its timberland owners are not completely aware of the current shortage of both hardwood and softwood stumpage in Mexico, which could create a strong wood products import market over the next 15 to 20 years. Also, most Texas foresters and industry personnel are not familiar with grading rules for high quality hardwood timber and lack the skill and knowledge to grade both standing trees and logs.

The study had two objectives: (1) to teach hardwood tree, log and lumber grading to potential exporters of logs and lumber into Mexico, and (2) to improve awareness of a) both Mexican and Texas producers' wood products standards and specifications, b) current trade difficulties and c) opportunities to work jointly to strengthen trade. Accomplishing these objectives would help create new jobs for Texas rural communities while expanding markets for high quality hardwood and softwood lumber. The study was a joint effort between TAEX, TDA and TFS.

Research Findings. Two hardwood tree, log and lumber grading shortcourses were held for the benefit of those interested in exporting National Hardwood Lumber Association (NHLA) graded lumber into Mexico. There is a demand for this type product by Mexican flooring, furniture and cabinet producers. Approximately 40 people attended these two educational programs. None of the 18 industry personnel who attended the week-long lumber grading session were aware that they were currently underselling their hardwood lumber due to a lack of NHLA grading rules knowledge. They were also uninformed about the potential Mexican markets.

The hardwood tree and log grading program was conducted at Precision Hardwoods mill at Mt. Enterprise. The logs were graded by the students, then processed into lumber at the mill and the lumber then graded by a NHLA certified grader to compare the predicted yield given by the log grading system to the actual yield achieved when the logs were processed into lumber. This type of knowledge is a must for those who desire to export NHLA lumber into Mexico.

Contacts with government and industrial officials were established in Mexico to determine current domestic demand for wood products and whether participation in educational meetings with Texas producers would be useful. Mexico's need for wood products was found to be critical due to a supply shortage, the result of decades of poor management and no national forest policy. Both government and industrial personnel wanted to participate in educational meetings to learn more about Texas wood product standards, but also to provide information about their current

product needs and specifications and to have the opportunity to conduct business with Texas producers. They also wanted to discuss ways to increase wood products exports into Texas as well as remove current product exchange difficulties.

The first symposium was held in Houston in November, 1992. It was attended by 80 representatives from Texas and Mexico and was so successful that both parties agreed to continue this effort annually. Two educational meetings will be held in Mexico during 1993: a conference in Durango in May and the second annual symposium in Mexico City in November.

Application. Results of this study show there is a great opportunity to expand both Texas hardwood and softwood product markets by exporting to Mexico. They show that Mexican producers have a great interest in purchasing Texas wood products and desire cooperatively planned educational programs to help both parties better understand each others needs and assist with the development of better ways to purchase and transport products.

It was clearly demonstrated that Texas hardwood producers and timberland owners need to be better informed about tree, log and lumber grading to allow them to compete in the current Mexican market for NHLA graded lumber. It was also demonstrated that these people are eager to obtain this type of information and are surprised to find out how they are greatly underselling their high quality timber and lumber.

Further work is needed to continue building and strengthening relationships between private and government personnel in Mexico and Texas to improve wood products trade conditions. Studies also need to be conducted in Mexico and Texas to help better define existing wood product markets for Texas and Mexican producers and establish cooperative systems to help both Mexican and Texas low volume producers to compete.

Assistance should be supplied, via meetings and demonstrational methods, to help Mexican architects, builders and other private and government officials better understand the concept of wood frame residential and commercial construction. Increased adoption of this type construction will greatly increase the demand for Texas wood products while helping Mexico develop a more economical and practical building system to meet the housing needs of a population becoming more economically affluent.

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