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## Economics of Sawn Wood Production in Ondo State; Case Study of Ondo Township, Nigeria

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### Abstract

Production of sawn wood through saw milling is one of the major activities that the firms under the Forestry industry engage in and the ability of these firms to yield profit will certainly keep their business going. Sawn wood producers are in business to earn profits on their investment. This study was conducted to examine the Economics of Sawn wood production in Ondo state; case study of Ondo township, Nigeria. The Objective was to determine the profitability of this enterprise, examine the socio economic characteristics of sawmillers and to determine the problems encountered by sawmillers in the production of sawn wood. All the saw millers in Ondo town were interviewed with the use of a well-structured questionnaire to obtain necessary information from saw millers. Data collected was analysed using frequency distribution and percentages as main descriptive statistical tools, while budgetary analysis was used to make inferences about the data collected. Both male (92.1%) and female (7.9%) with the mean age of 41 years and 14 years of experience. The average gross margin value was #5,650,204.11 (15.448,13 USD) per saw mill with an average net farm income #5,467,053.21 (15.448,13 USD) per annum. The study also revealed that the cost of transportation, epileptic power supply, terrorism in the North, weak political will are some of the vital problems encountered in sawn wood production. The study therefore recommends enforcement of reforestation policy, proper security measures to combat terrorism activities, adequate, regular and stable power supply, improvement in technology and the sales of waste products from sawn wood production to increase their revenue and ensure realisation of profit maximisation.

**Keywords:** Production, profitability, Sawnwood