United States Department of Agriculture
National Agricultural Statistics Service

WEEKLY AG UPDATE

USDA/NASS
NEW MEXICO FIELD OFFICE
nass-nm@nass.usda.gov

Issue 57-23

INCLUDED IN THIS ISSUE – June 4, 2007

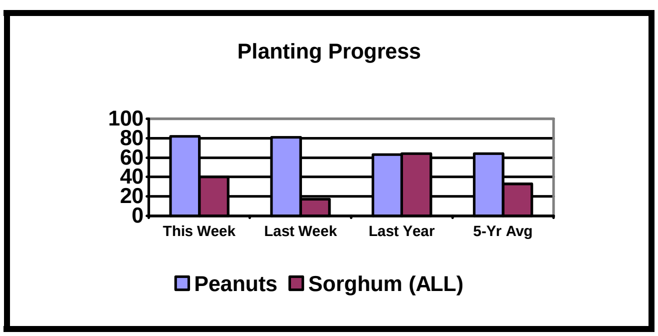
Available on the Internet: www.nass.usda.gov/nm , or by email (1-800-530-8810 for information)

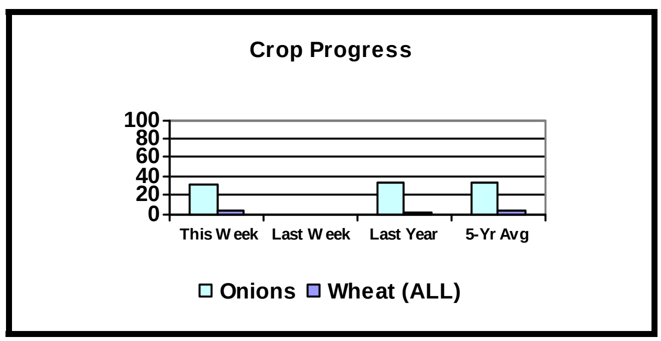
CROP SUMMARY FOR THE WEEK ENDING JUNE 3, 2007

NEW MEXICO: There were 6.4 days suitable for field work. Topsoil moisture was 5% very short, 24% short, 64% adequate and 7% surplus. Wind damage was 12% light and 3% moderate. Farmers spent the week cutting and bailing hay, irrigating and cultivating crops. Alfalfa was reported as 5% poor, 33% fair, 46% good and 16% excellent with 96% of the first cutting complete and 56% of the second cutting complete. Cotton was reported as 2% very poor, 11% poor, 45% fair, 35% good and 7% excellent with 99% planted and 3% squared. Corn was reported as 2% poor, 29% fair, 35% good and 34% excellent with 95% planted and 70% emerged. Irrigated sorghum was reported as 63% planted. Dry sorghum was reported as 25% planted. Total sorghum was reported as 40% planted. Irrigated winter wheat was reported as 41% fair, 56% good and 3% excellent with 7% harvested. Dry winter wheat was reported as 57% fair and 43% good. Total winter wheat was reported as 51% fair, 48% good and 1% excellent with 3% harvested. Lettuce was reported as 25% fair, 40% good and 35% excellent with 100% harvested. Chile was reported as 9% very poor, 7% poor, 30% fair, 40% good and 14% excellent. Onion conditions were reported as 20% fair, 41% good and 39% excellent with 30% harvested. Apples were reported as 25% very poor, 13% poor, 15% fair, 31% good and 16% excellent with 65% light fruit set and 35% average fruit set. Pecans were reported as 1% very poor, 18% fair, 16% good and 65% excellent with 5% light nut set, 73% average nut set, and 22% heavy nut set. Peanuts were reported as 82% planted. Cattle conditions were reported at 1% very poor, 3% poor, 11% fair, 68% good and 17% excellent. Sheep conditions were reported as 6% very poor, 11% poor, 7% fair, 74% good and 2% excellent. Range and pasture conditions were reported as 4% very poor, 9% poor, 20% fair, 57% good, and 10% excellent. Ranchers are culling herds, finishing branding cattle and hauling water.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

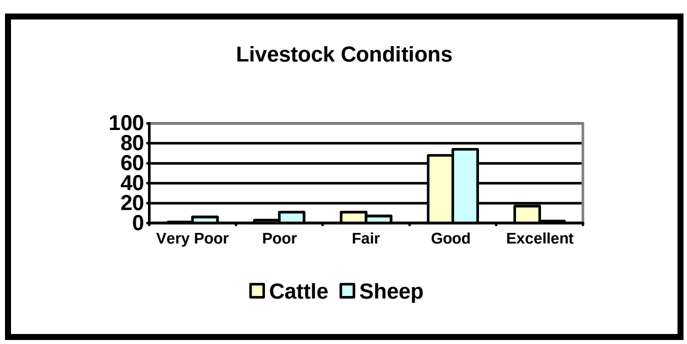
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CORN	Emerged	70	69	93	89
COTTON	Squaring	3	N/A	15	7
ONIONS	Harvested	30	N/A	34	32
PEANUTS	Planted	82	81	63	64
SORGHUM (ALL)	Planted	40	17	64	33
WHEAT (ALL)	Harvested	3	N/A	1	3





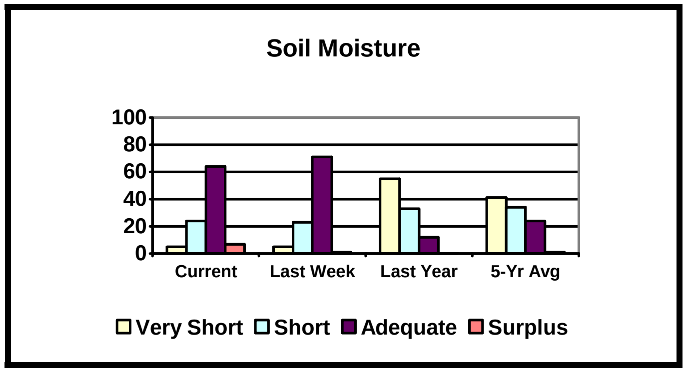
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	---	5	33	46	16
Corn	---	2	29	35	34
Cotton	2	11	45	35	7
Chile	9	7	30	40	14
Lettuce	---	---	25	40	35
Pecans	1	---	18	16	65
Onions	---	---	20	41	39
Wheat (All)	---	---	51	48	1
Cattle	1	3	11	68	17
Sheep	6	11	7	74	2
Range/Pasture	4	9	20	57	10



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	19	26	55	---
Northeast	---	10	89	1
Southwest	---	15	85	---
Southeast	---	41	37	22
State Current	5	24	64	7
State-Last Week	5	23	71	1
State-Last Year	55	33	12	---
State-5-Yr Avg.	41	34	24	1



WEATHER SUMMARY

For the week, temperatures ranged from just below normal across the west to several degrees below normal across the east. Cooler conditions in the east were associated with precipitation, mainly in the form of thunderstorms, both early and late in the week. Raton, Des Moines and Tatum received over an inch of rain. Data is incomplete for Carrizozo and Gran Quivira.

NEW MEXICO WEATHER CONDITIONS - MAY 28 – JUNE 3, 2007

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	05/28 06/03	06/01 06/03	01/01 06/03	Normal June	Normal Jan-June
Farmington	65.7	86	44	0.00	0.00	4.91	0.22	3.37
Gallup	62.9	83	40	0.00	0.00	3.58	0.45	4.19
Capulin	55.7	75	39	1.09	0.89	8.07	2.11	7.27
Chama	55.7	76	30	0.00	0.00	9.01	1.12	8.84
Johnson Ranch	59.1	83	32	0.00	0.00	3.32	0.68	3.77
Las Vegas	60.3	81	40	0.04	0.04	4.97	2.04	6.40
Los Alamos	60.6	78	42	0.04	0.04	5.16	1.36	6.41
Raton	60.3	85	39	1.15	1.15	3.79	1.99	7.16
Red River	49.7	71	28	0.00	0.00	9.73	1.40	8.92
Santa Fe	64.3	85	40	0.03	0.03	3.86	1.17	5.26
Clayton	64.4	83	47	0.27	0.24	6.75	2.27	6.30
Clovis	68.4	89	50	0.33	0.33	7.74	2.84	7.01
Roy	62.7	84	44	0.40	0.25	4.85	2.08	6.06
Tucumcari	72.8	94	50	0.66	0.50	4.34	1.78	5.27
Grants	60.4	84	32	0.00	0.00	2.94	0.55	3.03
Quemado	58.7	81	34	0.00	0.00	1.96	0.74	4.19
Albuquerque	71.4	88	53	0.00	0.00	3.91	0.59	3.05
Carrizozo	64.5	85	43	0.00	0.00	5.24	0.78	3.50
Socorro	70.3	89	45	0.00	0.00	3.66	0.57	2.50
Gran Quivira	63.7	85	42	0.20	0.20	4.98	1.01	4.71
Moriarty	60.1	84	35	0.00	0.00	5.49	0.92	3.99
Ruidoso	58.7	79	36	0.16	0.16	11.10	1.86	6.97
Carlsbad	75.4	98	52	0.00	0.00	8.30	1.30	3.95
Roswell	71.4	92	51	0.05	0.05	5.72	1.52	4.75
Tatum	68.9	88	51	1.38	0.35	9.64	2.03	6.17
Alamogordo	73.7	93	54	0.00	0.00	2.85	0.90	3.28
Animas	77.1	98	56	0.00	0.00	2.68	0.44	2.48
Deming	72.1	91	49	0.00	0.00	3.03	0.55	2.28
Las Cruces	73.6	94	55	0.00	0.00	4.61	0.72	2.27
T or C	74.4	92	54	0.06	0.06	3.43	0.69	2.58

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Alfalfa hay prices for May climbed to $175.00 per ton compared to $172.00 the previous month and $145.00 per ton in May 2006. All hay prices also rose to $172.00 per ton in May compared to $170.00 in April 2007 and $143.00 in May 2006. Cow prices increased from the previous month's price of $49.00 to $50.00 per hundredweight. Steer and heifer prices remained constant at $103.00 per hundredweight, $4.40 above the national average of $98.60. Calf prices declined by $3.00 to $127.00 per hundredweight and were $1.00 above the national average of $126.00. Milk prices increased by $1.10 to $17.10 per hundredweight from $16.00 the previous month.

Prices Received by Farmers: Selected Commodities, April 2007 and May 2006-07

Commodity	Unit	New Mexico			U.S. [1/]
		May 2006 [2/]	Apr 2007 [2/]	May 2007 [1/]	May 2007
		Dollars			
CROPS					
Grain Sorghum	Cwt.	–	–	–	5.78
Cotton, Upland	Lb.	–	–	–	.452
Potatoes	Cwt.	–	–	–	8.69
Hay, all baled	Ton	143.00	170.00	172.00	138.00
Alfalfa, baled	Ton	145.00	172.00	175.00	144.00
Peanuts	Lb.	–	–	–	.179
Corn	Bu.	–	–	–	3.48
Wheat, All	Bu.	–	–	–	4.70
LIVESTOCK					
Sheep [3/]	Cwt.	–	–	–	33.80
Lambs [3/]	Cwt.	–	–	–	97.20
Cows	Cwt.	44.70	49.00	50.00	51.60
Steers & Heifers	Cwt.	99.00	103.00	103.00	98.60
Calves	Cwt.	124.00	130.00	127.00	126.00
Milk	Cwt.	10.90	16.00	17.10	17.80

[1/] Mid-month [2/] Entire month [3/] April - entire month

RETAIL AND CONSUMER ASPECTS OF THE ORGANIC MILK MARKET
USDA, ERS, OUTLOOK – MAY 2007

Retailing Organic Milk Has Many Dimensions: Retailing of organic milk has changed since the early 1990s, when most organic food was sold in specialty shops. Since then, organic food products have become available in a wide range of venues, with trends in retailing organic milk following those of conventionally produced food, including a growing reliance on private-label products. Two other features are unique aspects of retailing organic milk and other organic products: the USDA organic logo and price premiums. Marketing organic products is facilitated through the use of the USDA organic standards, which establish rules for the use of the label “organic” and the accompanying logo (see box, “National Organic Standards” on page 4). Organic milk, like most organic products, receives a price premium over conventional products.

Distribution Channels Differ for Organic and Conventional Milk: The wide availability of organic food in 20053 is in marked contrast to 1991, when 68 percent of organic food was sold in natural foods stores and 7 percent was sold through conventional channels, such as grocery stores, mass merchandisers, and club stores (table 1). In 2005, the share of organic food sold in natural foods stores had decreased to 48 percent, while the share sold through conventional channels increased to 46 percent. Conventional channels now sell the majority of organic milk, half and half, and cream products (76 percent) (Budgar, 2006).

Data on organic and conventional milk purchases by distribution channel indicate that nearly all organic milk is purchased in grocery stores (table 2), with about 9 percent of sales attributed to the natural products channel, which is defined here as the two major national natural products chains (Whole Foods and Wild Oats) and health food stores.4 In contrast, conventional milk is purchased in a wider variety of venues, with 75 percent purchased in grocery stores, 10 percent purchased in supercenters, and 4 percent in club stores.

Private Label Used Less Often for Organic Milk, and Brand Names More Common: Private labeling for milk occurs at a much lower rate in the organic sector than in the conventional sector. In 2003, approximately 8 percent of all organic foods were sold under a private label (NBJ, 2004); in comparison, 16 percent of all food products were sold under a private label in the United States (ACNielsen, 2005). By 2005 (for the 12-month period ending the first quarter of 2005), it was estimated that the share of sales of private label organic products sales had risen to 16 percent in the United States (ACNielsen, 2005). The Nielsen Home-scan data indicate that private-label organic milk made up 10 percent of organic milk purchases in 2004, while the two major brands of organic milk made up 80 percent. The two major brands—Organic Valley and Horizon Organic—belong to the first two companies to produce and distribute organic milk on a large scale. In contrast, private labeling of conventional milk dominates the dairy case, accounting for 64 percent of purchases. The conventional sector includes over 100 brands of milk, with no individual brand capturing more than approximately 1 percent of the market. With the entrance of Aurora Dairy into the organic milk market, and the consequent growth in private-label organic milk sold in conventional supermarkets, the share of sales of organic milk attributed to branded products may decrease in the coming years. In 2004, ERS calculations of the Nielsen Home-scan data indicate that the national average price of conventional private-label milk was $1.88 per half gallon, compared with $3.65 for organic private-label milk, a price premium of $1.77. The organic price premiums for branded and private-label milk were similar, at 98 percent of the conventional price for branded and 94 percent for private label.

In sum, the demographic data indicate that organic households are most likely to live in the West or East, be headed by someone age 54 or younger, have a college degree, and have annual household incomes of at least $70,000. They are less likely than conventional households to be Black. Conventional households are more likely to live in the South or Central regions, have annual household income less than $70,000, have not graduated from college, and be headed by a household head age 55 or older. Household size has little bearing on whether a household purchases only conventional milk, and the presence of children under age 18 has no bearing on the likelihood of a household to purchase organic or conventional milk.