New Mexico Agricultural Statistics Service

Weekly Ag Update

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Crop Weather Agricultural Land Values ERS

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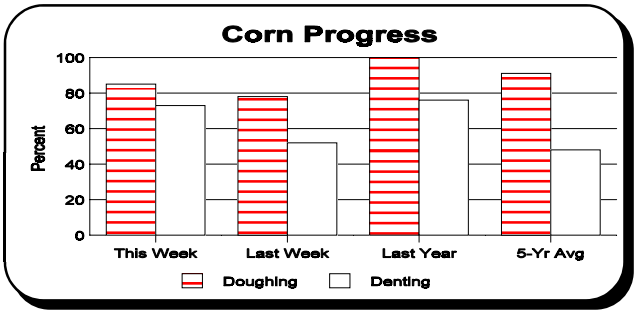
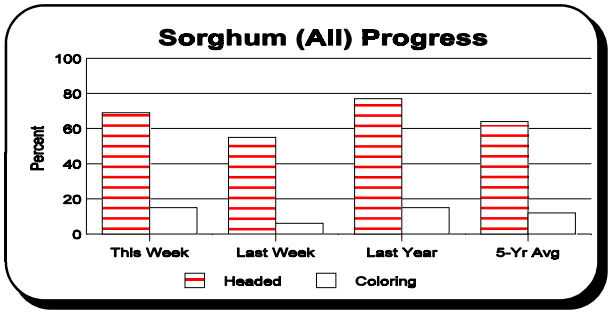
CROP SUMMARY FOR THE WEEK ENDING AUGUST 25, 2002

NEW MEXICO: There were 6.6 days suitable for field work. Farmers were busy irrigating, cutting hay, harvesting green chile, and maintaining their crops. Corn declined slightly with 3% of the crop in very poor condition, 6% poor, 34% fair, 53% good, and 4% excellent. Progress was reported as 85% doughing and 73% denting. Cotton conditions were listed as 5% very poor, 4% poor, 33% fair, 51% good, and 7% excellent, with setting bolls completed and bolls opening at 45%. Eddy county reported losing some cotton acreage to herbicide contamination. Peanut and pecan conditions both improved, with peanuts listed in fair to good condition and pecans in fair to excellent condition. Irrigated sorghum was reported as 75% fair, 24% good, and 1% excellent, with 83% headed and 24% coloring. Dryland sorghum continues to decline, with 66% listed as very poor and 34% poor. Dryland sorghum heading has progressed to 60% and coloring to 10%. Chile remained in fair to excellent condition, with the green chile harvest now 54% complete. Lettuce was 55% planted and was in fair to excellent condition. Alfalfa was listed as 15% very poor, 10% poor, 35% fair, 35% good, and 5% excellent. The third cutting is virtually complete, with 90% of the fourth cut and 65% of the fifth. Cattle were listed as 7% very poor, 24% poor, 40% fair, and 29% good. Sheep were reported as 6% very poor, 24% poor, 55% fair, and 15% good. Ranchers continue to reduce their herds, supplement feed, and haul water. Substantial moisture is badly needed, with range and pasture conditions reported as 49% very poor, 31% poor, 17% fair, and 3% good.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

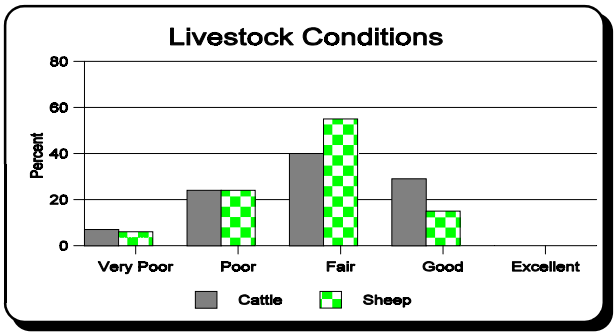
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested-Green	54	46	46	31
CORN	Doughing	85	78	100	91
CORN	Denting	73	52	76	48
COTTON	Bolls Opening	45	40	45	27
LETTUCE	Planted	55	44	51	84
SORGHUM (All)	Headed	69	55	77	64
SORGHUM (All)	Coloring	15	6	15	12





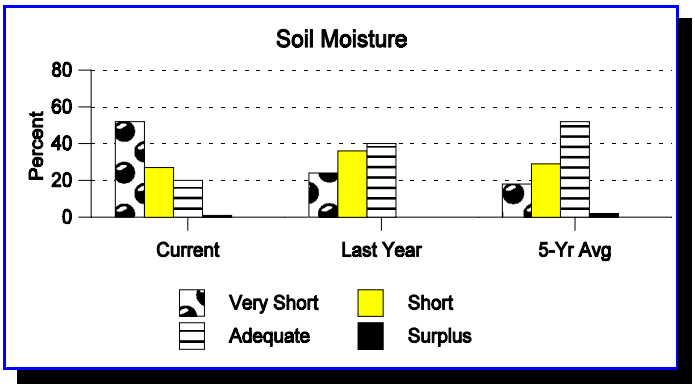
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	15	10	35	35	5
Apples	8	84	8	--	--
Chile	--	--	15	51	34
Corn	3	6	34	53	4
Cotton	5	4	33	51	7
Lettuce	–	–	10	44	46
Peanuts	--	–	47	53	--
Pecans	–	–	16	64	20
Sorghum (All)	41	21	29	9	--
Cattle	7	24	40	29	--
Sheep	6	24	55	15	--



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	66	14	20	--
Northeast	60	35	5	--
Southwest	24	46	27	3
Southeast	49	15	36	--
State	52	27	20	1
State-Last Year	24	36	40	--
State-5-Yr Avg.	18	29	52	1



WEATHER SUMMARY

After a two-week absence, moisture from the southwest monsoon returned to much of New Mexico early in the week but disappeared once again around mid-week. Some areas of Curry and Roosevelt counties actually received as much as 3 to 6 inches of rain, although the greatest amount reported from the climate data sites was 2.53 inches at Clovis. As the air dried, daytime temperatures climbed higher as the week progressed. Lower elevation stations reached 100 late in the week. Precipitation totals for the year have been updated for a number of locations using the latest data.

NEW MEXICO WEATHER CONDITIONS AUGUST 19-25, 2002

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	08/19 08/25	08/01 08/25	Normal Aug.	01/01 08/25	Normal Jan-Aug
Carlsbad	83.4	102	67	0.48	1.74	2.25	7.44	7.99
Hobbs	79.0	93	62	1.82	2.56	2.48	11.32	11.17
Roswell	82.8	102	64	0.08	0.68	2.03	8.83	8.77
Clayton	76.7	94	59	T	0.25	2.61	2.58	11.61
Clovis	79.1	97	64	2.53	2.56	3.17	7.78	12.74
Roy	73.0	90	53	0.80	1.05	2.81	10.10	11.84
Tucumcari	83.0	102	65	0.03	1.06	2.41	8.31	10.98
Chama	61.4	89	37	0.51	0.81	2.82	5.43	13.90
Johnson Ranch	67.2	92	41	0.09	0.91	2.29	4.07	7.72
Capulin	68.1	85	49	0.15	0.30	2.56	7.40	13.08
Las Vegas	68.6	88	48	0.18	0.29	3.71	5.09	12.78
Los Alamos	68.9	87	53	0.22	0.91	3.52	5.53	13.18
Raton	68.6	89	44	0.07	0.51	3.21	5.78	13.03
Santa Fe	69.4	92	44	0.01	0.55	2.39	4.67	10.03
Red River	57.9	81	32	0.87	2.43	3.10	9.47	15.03
Farmington	73.1	96	47	0.01	0.11	1.05	1.15	5.36
Gallup	65.6	90	39	0.24	0.62	2.26	5.00	8.36
Grants	66.8	93	39	0.01	0.71	2.16	3.19	6.95
Silver City	69.6	91	44	0.00	1.01	3.09	2.42	10.64
Quemado	63.1	87	34	0.13	2.49	3.12	6.59	9.68
Albuquerque	76.6	94	60	0.64	1.56	1.64	3.44	6.06
Carrizozo	74.9	96	53	0.00	0.00	2.69	6.58	8.24
Gran Quivera	70.9	93	50	0.00	0.71	3.27	6.28	10.79
Moriarty	69.5	97	42	T	0.15	2.69	4.17	9.06
Ruidoso	66.9	87	48	0.20	2.61	4.04	10.27	15.03
Socorro	73.4	95	48	0.01	1.58	1.90	4.84	5.84
Alamogordo	81.2	102	63	T	1.33	2.41	3.62	7.92
Animas	78.8	100	62	0.08	1.25	2.34	3.08	7.08
Deming	78.4	101	58	0.00	2.00	2.05	5.37	6.48
T or C	79.4	101	61	0.20	1.01	2.15	2.64	6.59
Las Cruces	79.6	103	59	0.10	1.00	2.29	4.30	5.92

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

AGRICULTURAL LAND VALUES

The U.S. farm real estate value, including all land and buildings, averaged $1,210 per acre as of January 1, 2002, up 5.2 percent from the previous year. The $60 per acre increase in farm real estate values continued a climb that began in 1987. Cropland values had been increasing by more than 5 percent a year, so this represents a slower rate of increase than previous years, likely due to low commodity prices and drought in western States.

Regional increases in the average value of farm real estate ranged from 3.0 to 8.7 percent. The Lake States and Southeast regions, at $1,870 and $2,260 per acre, showed the largest percentage gains from last year, at 8.7 and 7.1 percent, respectively. All regions again posted record highs with the exceptions of the Southern and Northern Plains. The Northeast region, with its urban influences, had the highest average value of farm real estate at $2,810 per acre. The Mountain region, with its expanse of pasture and rangeland, has the lowest value at $507 per acre.

New Mexico's farm real estate value, at $220 per acre, was unchanged from 2001. The real estate value has remained stable during the last 5 years, ranging from $217 to $220 per acre.

Farm Real Estate: Average Value per Acre, by Region and State, January 1, 1998-2002

Region/State	1998	1999	2000	2001	2002	Change 01-02
	----------Dollars----------					----Percent----
Northeast	2,280	2,370	2,520	*2,650	2,810	6.0
Lake States	1,280	1,390	1,570	*1,720	1,870	8.7
Corn Belt	1,730	1,830	1,930	*2,060	2,180	5.8
Northern Plains	499	510	526	*549	571	4.0
Appalachian	1,720	1,840	1,990	*2,160	2,250	4.2
Southeast	1,700	1,770	1,940	*2,110	2,260	7.1
Delta States	1,130	1,180	1,230	*1,280	1,330	3.9
Southern Plains	596	613	631	*678	718	5.9
Mountain	415	426	462	*487	507	4.1
Arizona [1/]	987	1,070	1,180	*1,360	1,520	11.8
Colorado	618	630	670	695	710	2.2
Idaho	1,020	1,090	1,170	*1,200	1,250	4.2
Montana	294	296	350	375	384	2.4
Nevada [1/]	392	420	440	460	460	0.0
New Mexico [1/]	**217**	**217**	**217**	***220**	**220**	**0.0**
Utah [1/]	807	855	900	975	1,050	7.7
Wyoming	222	220	240	260	285	9.6
Pacific	1,780	1,870	1,900	*1,980	2,040	3.0
48 States [2/]	974	1,020	1,080	*1,150	1,210	5.2

* Revised. 1/ Excludes Native American Reservation Land. 2/ Excludes Alaska and Hawaii.

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AGRICULTURAL OUTLOOK
TREE NUT CROPS
USDA, ERS, August 22, 2002

Strong demand, especially from export markets, has been driving up tree nut shipments this season. Supply is also strong this season because of large crops and large beginning stocks. The net effect is lower grower prices. Overall revenue is expected to be high, despite expected lower prices, because of the large volume of tree nut crops being moved.

No big surprises expected for walnut crop. Almost all of the commercial walnut industry is concentrated in California's San Joaquin Valley. The good weather that boosted California's almond crop was also a plus to the walnut crop. Because this season was a record crop for walnuts, the trees will likely produce a smaller crop in 2002/03. Acreage has remained relatively stable over the past few years, and no major changes are expected in the near future.

Pistachio shipments strong. Finishing out the California tree nuts, the 2002/03 pistachio crop is expected to be larger than the present crop in the market, following the general alternate-year-bearing trend of tree nuts. Pistachio production is on the opposite cycle of the other tree nuts, and 2001 was the "off cycle" year for the crop. The 2001 crop was 34 percent below last year's record crop, but still 31 percent above the similar low cycle 2 years ago. A forecast of the new season crop will be available at the end of August.

Pistachio nut shipments were higher for September 2001-May 2002 than during the same period last year. Despite the smaller 2001 crop, exports were higher. Shipments of inshell pistachios increased 41 percent, with large increases in quantity going to the European Union. The major markets are Germany, France, Hong Kong, and Canada. Large beginning stocks for this year's crop likely contributed to the larger shipments. Strong demand has driven down inventory below last year's level, with stocks of loose kernel and artificially opened pistachios nearly depleted. As a result, growers are in good position to demand higher prices once the new crop harvest begins. Low inventory should help moderate price-depressing effects of a larger crop.

Pecan markets hurt by slowed economy. The 2001/02 pecan crop suffered from the domestic economic slowdown this year. Unlike many of the other tree nuts, much of the pecan crop is not stored before marketing. Rather, inventory is held by processors who purchase the pecans to make cookies, ice cream, pies, and similar goods. As a result, much of the crop is sold shortly after harvest. With the pecan harvest beginning in September, the 2001/02 crop was hurt by the economic downturn that occurred after September 11. Growers were receiving good returns at the beginning of harvest, but demand fell once the economic effects of the tragedy reached the food industries. Because close to 90 percent of the crop is sold to the baking, candy, and ice cream industries, and nearly all the nuts are in the market at the same time, prices fell. As a result, the per pound price dropped to 68.7 cents, the lowest in 5 years. The value of the crop in 2001 fell 9 percent from the previous year.

In response to declining revenues, pecan farmers reduced their inputs to cut costs. The industry is expecting a much smaller crop this year because of the reduced input use, drought conditions through most of the pecan-growing States, and the alternate-bearing cycle of the trees. A smaller crop generally would be good news to growers, because prices would be expected to rise. However, pecan inventories held by processors are reported to be high as the season is ending, and the new harvest is just a few months away. As a result, processors will be unwilling to pay high prices for the new crop. Those pecans going to fresh market, such as the gift industry, should be able to get good prices.