

INCLUDED IN THIS ISSUE

Crop Weather

Agricultural Prices Received

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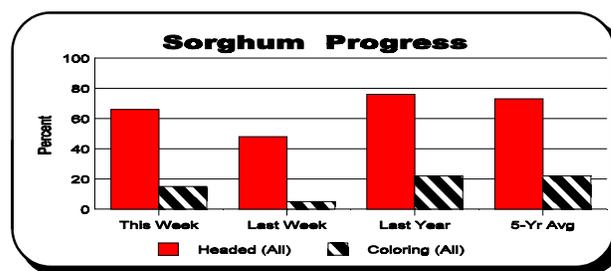
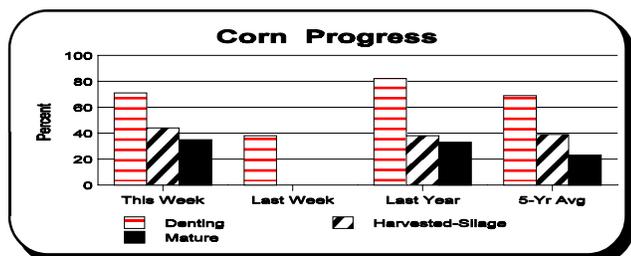
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CROP SUMMARY FOR THE WEEK ENDING AUGUST 31, 2003

NEW MEXICO: There were 6.5 days suitable for fieldwork. Farmers were busy cutting alfalfa and corn silage, harvesting green chile and potatoes, and irrigating with limited water supplies. Alfalfa was reported as mostly fair to good and harvest was moving along with the 4th cutting 92% complete, the 5th was 43% complete, and the 6th was just getting started with 6% cut. Corn conditions saw some improvement but most of the crop was still listed as fair to good. It was an excellent week for corn progress with denting jumping to 71%, and 35% of the crop was mature. Corn harvested for silage was slightly ahead of last year with 44% complete. Cotton also saw some improvement with conditions listed as mostly fair to good and 30% of the crop opening bolls. Total sorghum remained in mostly very poor to fair condition. Progress continued to lag behind last year with the total crop listed as 66% headed and 15% coloring. The irrigated crop had finished heading. Chile was in mostly fair to good condition with 61% of the green crop harvested, slightly behind last year but still ahead of the 5 year average. Pecans continued to be reported as fair to excellent and drop was 20% below average, 77% average, and 3% above average. Peanuts were reported as mostly fair to good, with harvest only a few weeks away. Ranchers spent yet another week supplementing feed and maintaining water supplies. They continued to cull their herds and ship early. While many areas did receive moisture, much more is needed if range conditions are going to show the significant improvement they need. Cattle were reported as 9% very poor, 19% poor, 31% fair, 25% good, and 16% excellent. Sheep saw the greatest improvement at 12% very poor, 17% poor, 27% fair, 36% good, and 8% excellent. Range and pasture was listed as 50% very poor, 25% poor, 19% fair, and 6% good.

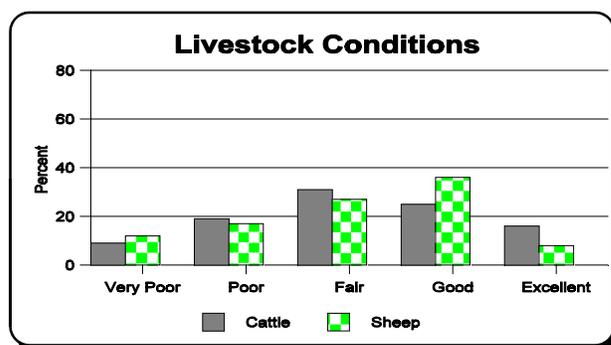
CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested-Green	61	42	66	50
CORN	Denting	71	38	82	69
CORN	Mature	35	N/A	33	23
CORN	Harvested-Silage	44	N/A	38	39
COTTON	Opening Bolls	30	20	48	40
SORGHUM (All)	Headed	66	48	76	73
SORGHUM (All)	Coloring	15	5	22	22



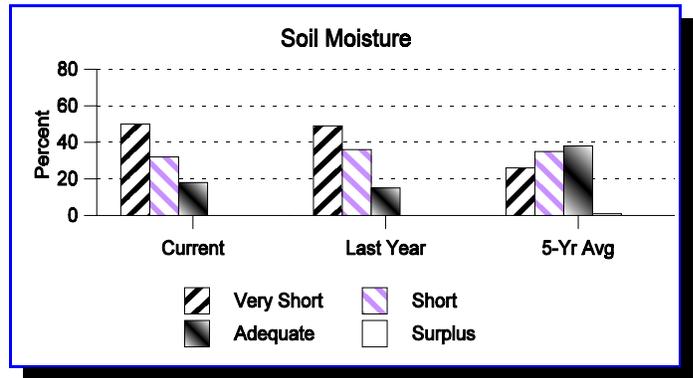
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	5	14	47	28	6
Apples	10	80	10	-	--
Chile	6	12	32	38	12
Corn	-	9	44	37	10
Cotton	5	11	39	32	13
Lettuce	-	-	10	40	50
Peanuts	-	2	69	29	--
Pecans	-	-	34	47	19
Sorghum (All)	32	29	36	1	2
Cattle	9	19	31	25	16
Sheep	12	17	27	36	8
Range/Pasture	50	25	19	6	--



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	40	45	15	--
Northeast	40	44	16	--
Southwest	NA	NA	NA	NA
Southeast	66	14	20	--
State	50	32	18	--
State-Last Year	49	36	15	--
State-5-Yr Avg.	26	35	38	1



WEATHER SUMMARY

The most active “weather maker” of the week was a cold front that surged southward through the Eastern Plains and pushed westward to the Arizona border Friday and Saturday. The front ushered in some moisture that helped fuel showers and thunderstorms. Some areas in the east got their first substantial moisture in many weeks. Clayton, Santa Fe, Tucumcari, Clovis, Gran Quivera, and Ruidoso all measured over an inch of rain, with Tucumcari topping two inches.

NEW MEXICO WEATHER CONDITIONS AUGUST 25- 31, 2003

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	08/25 08/31	08/01 08/31	Normal Aug	01/01 08/31	Normal Jan-Aug
Carlsbad	79.5	98	64	T	0.86	2.25	4.17	7.99
Tatum	75.9	98	59	0.13	0.24	2.48	5.03	11.17
Roswell	77.6	99	62	T	0.32	2.03	2.65	8.77
Clayton	70.1	92	55	1.41	1.42	2.61	9.67	11.61
Clovis	73.7	95	57	1.21	1.46	3.17	9.44	12.74
Roy	68.8	89	53	0.06	1.63	2.81	4.43	11.84
Tucumcari	74.0	97	58	2.25	3.04	2.41	11.52	10.98
Chama	57.7	80	36	0.88	2.42	2.82	11.25	13.90
Johnson Ranch	66.9	86	46	0.53	1.54	2.29	5.33	7.72
Capulin	61.8	83	46	0.99	2.31	2.56	10.20	13.08
Las Vegas	65.2	85	50	0.31	0.81	3.71	3.88	12.78
Los Alamos	63.9	78	50	0.70	2.88	3.52	6.94	13.18
Raton	66.0	88	49	0.56	2.19	3.21	7.91	13.03
Santa Fe	68.1	83	46	1.06	1.64	2.39	4.15	10.03
Red River	55.8	75	38	0.96	3.78	3.10	13.49	15.03
Farmington	74.7	90	60	0.06	0.73	1.05	2.82	5.36
Gallup	68.1	85	51	0.70	3.07	2.26	4.91	8.36
Grants	68.6	86	55	0.29	1.57	2.16	3.60	6.95
Silver City	71.9	87	55	0.25	1.40	3.09	4.03	10.64
Quemado	65.6	82	49	0.69	2.82	3.12	6.57	9.68
Albuquerque	75.3	89	61	0.46	1.12	1.64	3.88	6.06
Carrizozo	71.2	89	55	0.78	2.86	2.69	6.24	8.24
Gran Quivera	68.9	86	52	1.06	1.48	3.27	4.61	10.79
Moriarty	69.7	89	52	0.20	1.19	2.69	4.31	9.06
Ruidoso	63.2	78	49	1.87	5.01	4.04	9.45	15.03
Socorro	74.1	91	55	0.08	0.81	1.90	2.01	5.84
Alamogordo	77.9	93	63	0.40	0.43	2.41	3.67	7.92
Animas	77.6	94	58	0.04	0.47	2.34	1.93	7.08
Deming	78.6	94	61	T	0.82	2.05	3.65	6.48
T or C	77.7	93	63	0.26	1.06	2.15	2.53	6.59
Las Cruces	78.7	94	64	0.08	1.63	2.29	5.04	5.92

(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 dropped slightly in August to \$141.00 per ton compared to \$144.00 per ton in July 2003 and August 2002. Even with the slight decline, the August 2003 price was still \$50.00 above the national average of \$91.00. All hay prices also decreased by \$2.00 to \$138.00 per ton, remaining \$52.70 above the U.S. average price of \$85.30. Livestock prices either remained steady or saw slight increases. Cow prices remained at \$46.00 per hundredweight, \$1.20 above the national average of \$44.80. Steer and heifer prices increased by \$1.70 from \$88.30 per hundredweight to \$90.00 per hundredweight. Calf prices rose to \$104.00 per hundredweight compared to the previous month's price of \$101.00 and \$14.00 above the previous year's price of \$90.00. Milk prices climbed to \$12.00 per hundredweight, an increase of \$0.80 but still remain \$1.00 below the national average. Milk cow replacement prices for July were \$1,310 per head.

Prices Received by Farmers: Selected Commodities, July 2003 and August 2002-03

Commodity	Unit	New Mexico			U.S.
		Aug 2002 ^{1/}	Jul 2003 ^{1/}	Aug 2003 ^{2/}	Aug ^{2/}
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt	--	--	--	3.75
Cotton, Upland	Lb	--	--	--	.440
Potatoes	Cwt	--	--	--	7.71
Hay, all baled	Ton	140.00	140.00	138.00	85.30
Alfalfa, baled	Ton	144.00	144.00	141.00	91.00
Peanuts	Lb	--	--	--	^{3/}
Corn	Bu	--	--	--	2.13
Wheat, all	Bu	--	--	--	3.44
LIVESTOCK					
Sheep ^{4/}	Cwt	--	--	--	28.60
Lambs ^{4/}	Cwt	--	--	--	89.40
Cows	Cwt	38.20	46.00	46.00	44.80
Steers & Heifers	Cwt	76.70	88.30	90.00	81.70
Calves	Cwt	90.00	101.00	104.00	105.00
Milk Cow Replacement ^{5/}	Head	--	1310.00	--	--
Milk	Cwt	11.20	11.20	12.00	13.00

^{1/} Mid-month. ^{2/} Entire month. ^{3/} Sales volume insufficient to establish a State price, but all sales included in U.S. price. ^{4/} August - Entire Month ^{5/} Animals sold for dairy herd replacement only. Prices for Jan, Apr, Jul, and Oct.

FEED OUTLOOK

USDA, ERS, August 2003

Feed Grain Production Record Large: Based on August 1 surveys, the National Agricultural Statistics Service has forecast corn yield at record levels. Even with year-to-year declines in sorghum production, feed grain production is forecast at 275 million tons, down 8 million tons from last month, but up from 245 million in 2002/03. Total use of feed grains in 2003/04 is expected to be record large, up 9 million tons from last year's 263 million, but down 4 million from last month. Ending stocks are down from last month but up from last year, resulting in stronger prices month-to-month but lower prices than last year.

Feed Grain Supply Largest Since 1994/1995: U.S. feed grain production in 2003 is forecast at 275 million metric tons, down 8 million from a month ago but up 30 million from 2002. This reflects adjustments for each of the feed grains. Feed grain supply in 2003/04 is forecast at 307 million tons, down 3 percent from last month, but 5 percent above 2002/03. Forecast beginning stocks are unchanged from last month, but down 36 percent from the previous year.

Record Corn Crop Forecast: Corn production in 2003 is forecast at a record 10.064 billion bushels, down 206 million from last month but 1 billion above last year. This is the first survey based forecast of the season and it reflects August 1 conditions. The average corn yield is forecast at a record 139.9 bushels per acre, compared with last month's trend-adjusted projection of 142.7 bushels and the actual 2002 yield of 130 bushels. The August 1 survey data indicate a record level of stalk and ear counts for the combined seven objective yield States (Illinois, Indiana, Iowa, Minnesota, Nebraska, Ohio, and Wisconsin).

Estimated acreage of corn harvested for grain was cut 70,000 acres this month to 71.9 million, but is up 4 percent from 2002. This would be the largest grain harvested acreage since 2000. Cooler-than-normal temperatures in the eastern Corn Belt, resulted in crop conditions behind normal. As of August 10, 95 percent of the corn was in the silking stage or beyond, compared with 97 percent for the 5-year average.

Thirty-five percent of the acreage was in the dough stage or beyond, compared with the average of 48 percent. With a record 2003 production expected and record use only partially offsetting these gains, projected ending stocks decreased 156 million bushels from last month but are 174 million above 2002/03. Forecast corn use was decreased 50 million bushels from last month's forecast but is up 290 million bushels from the estimate for 2002/03. The year-over-year increase in corn use was the result of increased exports and food, seed, and industrial use (FSI), principally ethanol production. With a smaller corn crop expected than last month, prices will be stronger and ethanol production slightly lower, but still up 16 percent from expected 2002/03 use.

With increased corn supplies in 2003/04 and higher ending stocks, prices were reduced from last year. The forecast price for 2003/04 is \$2.00-\$2.40 per bushel, up from last month's \$1.90-\$2.30. In 2002/03, the season-average price received by farmers is expected to be \$2.30.

Sorghum Crop To Increase From Last Year: The first survey-based forecast for sorghum indicates production of 448 million bushels in 2003, down 103 million from last month but up 79 million from last year. Plantings rose 300,000 acres from the July estimate and harvested acres increased 120,000, as Texas producers planted land abandoned from cotton. Yields in 2003 are forecast at 54.4 bushels per acre, down from the earlier projection (based on a simple linear trend fit over 1960-2002), but up from the 50.7 bushels in 2002.

Given smaller sorghum supplies, projected feed and residual use is down 40 million bushels from last month, but up 20 million from 2002/03. Exports were dropped 40 million bushels this month because of smaller supplies but are projected up 30 million from the prior marketing year. Ending stocks are projected to be about the same as 2002/03, but down 18 million from last month.

In the 2002/03 marketing year, prices received by farmers for

sorghum have averaged 97 percent of the corn price, down from 98 percent in 2001/02. The stronger prices have been in response to increased exports. Projected prices for 2002/03 are \$2.33 per bushel. The forecast price for sorghum in 2003/04 is \$2.00-\$2.40, the same as the corn price, up \$.35 from last month as the supply and use balance for sorghum was tightened more than corn.

All Hay Production To Increase: All hay production in 2003 is forecast at 160 million tons, up 9 million from 2002. The all hay yield is expected to be 2.49 tons per acre, up 6 percent from last year. Acreage harvested of all hay was unchanged this month from the June estimate but 118,000 acres less than 2002.

Alfalfa hay production, at 78 million tons, increased 6 percent from 2002. Yields are expected to average 3.31 tons per acre, up 0.12 tons from last year. In all but 9 States, yields were the same or above last year, with most areas receiving adequate moisture.

Other hay production is forecast at 82 million tons, up 6 percent from last year. Yields are expected to average 2.01 tons per acre, up from 1.86 in 2000, and if realized would be a record high. Harvested area, at 40.8 million acres, is down 1 percent from last year, but unchanged from the June estimate.

Roughage consuming animal units (RCAUs) in 2003/04 are estimated to be down 1 percent from 2002/03. Hay supply in 2003/04 is up, even with a slight decline in beginning stocks. Hay supply per RCAU is 2.54 tons, up from 2.4 tons in 2002/03.

Prices received by farmers for all hay averaged \$94.27 per ton in May-July 2003, down from \$97.47 in 2002.

Alfalfa hay prices in May-July 2003 averaged \$97.87 per ton, down from \$104.00 in 2002. Prices received by farmers for hay other than alfalfa and alfalfa mixtures averaged \$81.43 per ton during May-July 2003, up from \$74.87 in 2002.