

**INCLUDED IN THIS ISSUE**

Crop Weather      September Crop Production      ERS

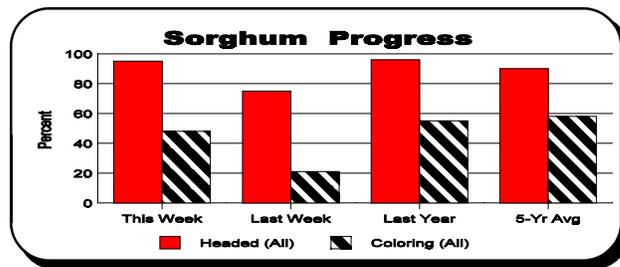
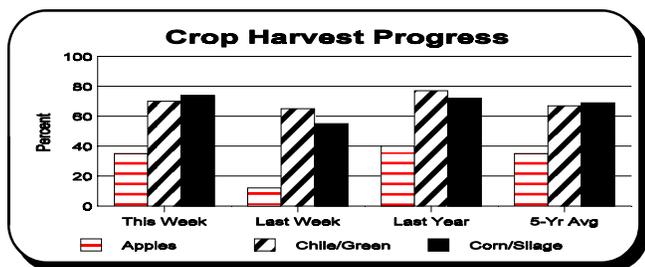
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**CROP SUMMARY FOR THE WEEK ENDING SEPTEMBER 14, 2003**

**NEW MEXICO:** There were 6.7 days suitable for fieldwork. Wind damage was 10% light affecting all crops. Farmers spent the week harvesting alfalfa, corn for silage, and green chile, as well as planting wheat. The 5<sup>th</sup> cutting of alfalfa was moving along with 81% cut and the 6<sup>th</sup> cutting at 17% cut. Alfalfa cuttings are sporadic throughout the state depending on water availability. Alfalfa condition remains in mostly fair to good condition. Corn condition was mostly fair with 86% dented and 48% of the crop matured, which is slightly below the five year average. Corn harvested for silage was 74%, with reports that production was down in Lea county with some yields as low as nine tons an acre. Cotton condition was reported as 5% very poor, 12% poor, 47% fair, 23% good, and 13% excellent. Cotton progress was reported with 56% of the bolls opening. Total sorghum conditions were 24% very poor, 24% poor, 47% fair, 3% good, and 2% excellent. Sorghum progress was coming along with headed at 95%, 48% coloring, and 2% maturing. Total wheat was reported to be 61% planted, slightly above the five year average. Chile was listed in mostly fair to good condition with 70% of the green chile harvest complete. Pecans were reported in fair to excellent condition with a heavy drop due to irrigation problems. Peanuts were in mostly fair condition and lettuce in fair to excellent condition. Apples were in mostly fair condition with 35% of the crop harvested. Ranchers report that the severe drought conditions this year have left them with serious doubt of profitable outcomes, while many have started the works and planning to sell all of their cattle this year. Cattle were 9% very poor, 18% poor, 40% fair, 19% good, and 14% excellent. Sheep conditions were 14% very poor, 23% poor, 30% fair, 26% good and 7% excellent. Range & pasture was listed as 47% very poor, 29% poor, 22% fair, and 2% good.

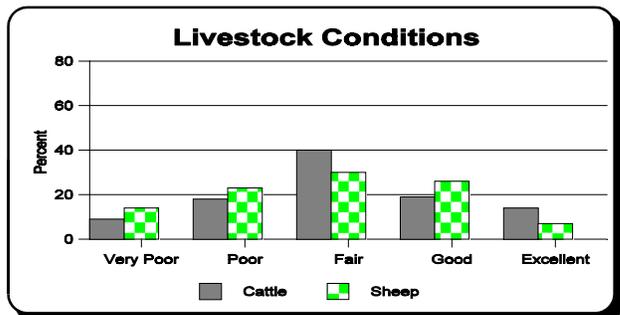
**CROP PROGRESS PERCENTAGES WITH COMPARISONS**

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
APPLES	Harvested	35	12	40	35
CHILE	Harvested-Green	70	65	77	67
CORN	Denting	86	72	98	96
CORN	Mature	48	38	57	49
CORN	Harvested-Silage	74	55	72	69
COTTON	Opening Bolls	56	32	61	59
SORGHUM (All)	Headed	95	75	96	90
SORGHUM (All)	Coloring	48	21	55	58
WHEAT (All)	Planted	61	21	63	57



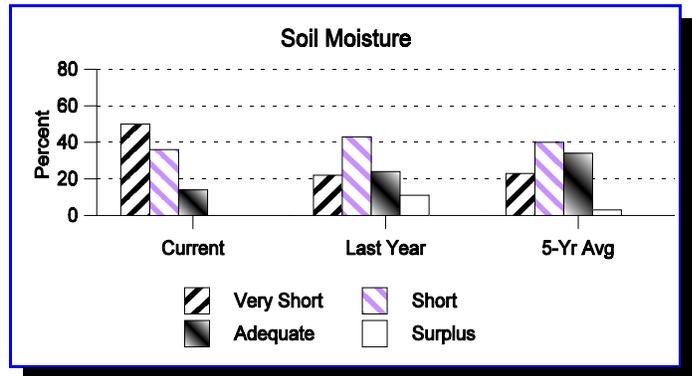
**CROP AND LIVESTOCK CONDITION PERCENTAGES**

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	11	13	42	28	6
Apples	20	25	55	-	--
Chile	3	7	33	36	21
Corn	-	1	55	17	27
Cotton	5	12	47	23	13
Lettuce	-	-	20	30	50
Peanuts	-	1	66	31	2
Pecans	-	1	34	47	18
Sorghum (All)	24	24	47	3	2
Cattle	9	18	40	19	14
Sheep	14	23	30	26	7
Range/Pasture	47	29	22	2	--



**SOIL MOISTURE PERCENTAGES**

	Very Short	Short	Adequate	Surplus
Northwest	42	43	15	--
Northeast	33	37	30	--
Southwest	60	33	7	--
Southeast	65	33	2	--
State	50	36	14	--
State-Last Year	22	43	24	11
State-5-Yr Avg.	23	40	34	3



**WEATHER SUMMARY**

A storm system that swept in from the Pacific combined with a surge of moisture from Mexico to produce some heavy rainfall over the northwest plateau and northern mountains early in the week. Rainfall farther south was spotty and light. Red River collected 2.89 inches of rain, while Chama measured 1.58 inches. Gallup and Farmington both had about an inch. The storm system ushered in cooler air, and temperatures for the week were a few degrees below normal in the north. Over the south, temperatures were normal or a little above normal. Data incomplete for Ruidoso and Roy.

**NEW MEXICO WEATHER CONDITIONS SEPTEMBER 8 - 14, 2003**

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	09/08 09/14	09/01 09/14	Normal Sep	01/01 09/14	Normal Jan-Sep
Carlsbad	75.2	100	56	0.04	0.19	2.75	4.36	10.74
Tatum	70.6	96	50	0.01	0.38	2.36	5.41	13.53
Roswell	73.7	96	54	T	0.00	1.87	2.65	10.64
Clayton	64.5	87	48	0.22	0.38	1.77	10.05	13.38
Clovis	70.0	91	52	0.13	1.06	2.16	10.50	14.90
Roy	--	--	--	0.35	0.89	1.90	5.32	13.74
Tucumcari	68.8	92	49	0.07	0.48	1.47	12.00	12.45
Chama	47.7	72	26	1.58	3.04	2.23	14.29	16.13
Johnson Ranch	56.9	81	36	0.42	1.29	1.33	6.62	9.05
Capulin	55.9	78	33	0.30	0.65	2.22	10.85	15.30
Las Vegas	58.1	80	40	0.22	1.31	2.07	5.19	14.85
Los Alamos	56.9	75	41	0.29	0.55	2.12	7.49	15.30
Raton	57.1	81	35	0.43	0.97	1.61	8.88	14.64
Santa Fe	59.1	83	37	0.57	0.76	1.51	4.91	11.54
Red River	48.2	68	27	2.89	5.50	1.66	18.99	16.69
Farmington	61.2	82	41	1.00	1.03	0.97	3.85	6.33
Gallup	59.4	81	37	1.03	1.12	1.31	6.03	9.67
Grants	61.4	83	37	0.40	0.81	1.56	4.41	8.51
Silver City	67.1	86	45	T	0.22	2.22	4.25	12.86
Quemado	58.6	80	35	0.32	0.96	1.73	7.53	11.41
Albuquerque	67.8	87	53	0.05	0.24	1.00	4.12	7.06
Carrizozo	66.1	86	43	0.00	0.39	1.88	6.63	10.12
Gran Quivera	63.4	82	42	0.00	0.59	1.95	5.20	12.74
Moriarty	58.2	87	38	0.35	0.51	1.61	4.82	10.67
Ruidoso	64.7	78	46	0.11	0.50	2.50	9.95	17.53
Socorro	68.8	90	46	0.23	0.38	1.53	2.39	7.37
Alamogordo	74.4	91	54	0.12	0.12	1.99	3.79	9.91
Animas	73.8	92	51	0.03	0.07	1.68	2.00	8.76
Deming	75.6	94	54	0.06	0.06	1.63	3.71	8.11
T or C	73.6	89	53	0.14	0.55	1.08	3.08	7.67
Las Cruces	75.8	96	52	0.20	0.23	1.36	5.27	7.28

(T) Trace (-) No Report (\*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

## CROP PRODUCTION

**NEW MEXICO:** Corn for grain production for September remained at 6.8 million bushels, down 23 percent from a year ago. Harvested acreage at 40,000 acres was 9,000 acres below last year, while yields are expected to average 170 bushels per acre, slightly below 2002. Upland cotton producers expect to harvest 75,000 bales down 10,000 bales from last year. Harvested acreage remained at 42,000 acres, 8,000 less than a year ago, however yields are expected to average 857 pounds per acre. American-Pima harvested acreage totaled 6,000 acres, 1,100 acres below last year. Yields are anticipated to reach 880 pounds per acre, after the record yield set last year at 1,041 pounds per acre. Sorghum production is forecast at 3.5 million bushels, up 25 percent from last year. Based on September 1 conditions, the sorghum yield is forecasted at 35 bushels per acre. Peanut production is estimated at 49.3 million pounds the same as last month, which is 9 percent below 2002. Growers expect to harvest 17,000 acres, with yields expected to average 2,900 pounds per acre. Production of summer potatoes is forecast at 800,000 hundredweight well above last years' 736,000 hundredweight. Harvested acreage increased to 2,500 acres, 200 acres above last year, while the average yield is expected at 320 hundredweight per acre.

**UNITED STATES:** Corn for grain acreage harvested and to be harvested for grain is forecast at 71.8 million acres, down slightly from August but up 4 percent from 2002. All cotton production is forecast at 16.9 million 480-pound bales, down 1 percent from last month and 2 percent below last year's production. Yield is expected to average 667 pounds per acre, the same as last month. Upland cotton harvested acreage, at 12.0 million acres, is down 1 percent from August and 1 percent less than 2002. American-Pima production is forecast at 430,500 bales, down 4 percent from August and down 37 percent from 2002. Sorghum Production is forecast at 410 million bushels, down 9 percent from last month but up 11 percent from last year. Based on September 1 conditions, the sorghum yield forecast is 51.0 bushels per acre, down 3.4 bushels from August but up 0.3 bushels from last year. Peanut production is forecast at 3.99 billion pounds up 1 percent from last month and up 20 percent from 2002. Area for harvest is expected to total 1.28 million acres, unchanged from August but 2 percent below the 2002 harvested acreage. Yields are expected to average a record high 3,121 pounds per acre, 19 pounds per acre above the August forecast and 560 pounds above the 2002 level. Production of summer potatoes is forecast at 19.4 million cwt in 2003, down 1 percent from the July 1 forecast but 8 percent above a year ago. Harvested area is estimated at 60,500 acres, up 2 percent from last year and 3 percent above two years ago. The average yield is forecast at 320 cwt per acre, 10 cwt above the July forecast and 16 cwt above last year.

**September 2003 Crop Summary: Area Harvested, Yield, and Production, 2002 and Forecasted September 1, 2003**

Crop	Unit	Area Harvested		Yield Per Acre		Production	
		2002	2003	2002	2003	2002	2003
		-----1,000 Acres-----		-----Units-----		-----1,000 Units-----	
<b>NEW MEXICO</b>							
Corn for Grain	Bu.	49	40	180.0	170.0	8,820	6,800
All Cotton <sup>1/2/</sup>	Lb.	57.1	48.0	844	860	100.4	86.0
Upland Cotton <sup>1/2/</sup>	Lb.	50.0	42.0	816	857	85.0	75.0
A-P Cotton <sup>1/2/</sup>	Lb.	7.1	6.0	1,041	880	15.4	11.0
Sorghum for Grain	Bu.	80	100	35.0	35.0	2,800	3,500
Peanuts	Lb.	18.0	17.0	3,000	2,900	54,000	49,300
Potatoes, Summer <sup>3/</sup>	Cwt.	2.3	2.5	320	320	736	800
<b>UNITED STATES</b>							
Corn for Grain	Bu.	69,313	71,815	130.0	138.5	9,007,659	9,944,418
All Cotton <sup>1/2/</sup>	Lb.	12,426.6	12,192.4	665	667	17,208.6	16,938.5
Upland Cotton <sup>1/2/</sup>	Lb.	12,184.0	12,024.0	651	659	16,530.3	16,508.0
A-P Cotton <sup>1/2/</sup>	Lb.	242.6	168.4	1,342	1,227	678.3	430.5
Sorghum for Grain	Bu.	7,299	8,041	50.7	51.0	369,758	410,145
Peanuts	Lb.	1,296.7	1,277.0	2,561	3,121	3,320,490	3,985,900
Potatoes, Summer <sup>3/</sup>	Cwt.	59.1	60.5	304	320	17,985	19,360

<sup>1/</sup> Production ginned and to be ginned. <sup>2/</sup> Yield reported in pounds per acre: production in bales (480 lb. net wt.).

<sup>3/</sup> 2002 crop revised.

## DAIRY OUTLOOK

*USDA, ERS, August 2003*

***Cheese Prices Hanging On:*** Wholesale cheese prices continued to rise through July, ending the month more than 45 cents per pound above those of early June. Early August prices have mostly held steady. Thus far, tightness in cheese markets has been able to withstand a very large gap between values of milk used in cheese and that used for butter and nonfat dry milk. Even so, heavy supplies of butter and nonfat dry milk likely will remain a major threat to cheese prices.

Cheese production was fairly weak through June, although price increases may have it in July. The large premiums that could be paid for cheese milk should have caused some shifting of milk supplies and use of nonfat dry milk to produce cheese. However, any increases in cheese output probably were small. Supplies of milk for manufacturing likely stayed tight relative to the preceding 18 months. Also, contractual obligations for butter reportedly inhibited butter-powder operations from releasing milk to cheese production.

Buyers have become much more aggressive in

seeking current cheese and second-half supply commitments. However, it is not yet clear whether these actions imply more than just a typical precautionary response to rising prices. The size and duration of price increases, supported by recent production data and signs of demand recovery, suggest some market tightness in coming months. But, the expected ample supplies of butter and nonfat dry milk may re-emerge as major factors in cheese prices, once cheese pipelines are rebuilt. This view is supported by the relatively modest response of butter prices to the sharp increases in cheese prices. Butter prices were up only about 7 cents from early June.

Cheese prices are projected to hit an early seasonal peak as the pressure from ample supplies of butter and powder is more fully felt in cheese markets. Even so, farm milk prices during the second half of 2003 should average higher than a year earlier because of the recent increases in cheese prices. For all of 2003, the milk price is expected to average near the 2002 price.