National Agricultural Statistics Service
New Mexico Statistical Office

Weekly Ag Update

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Crop Weather Livestock, Dairy, and Poultry Outlook

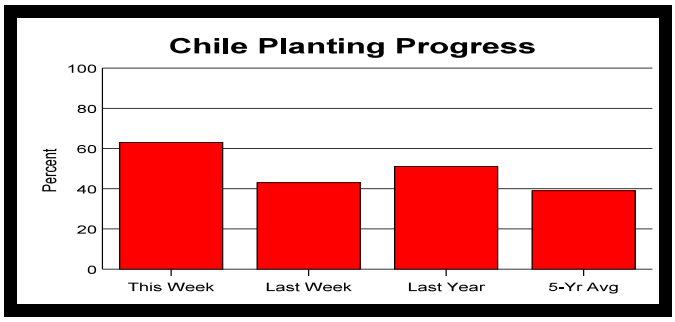
Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

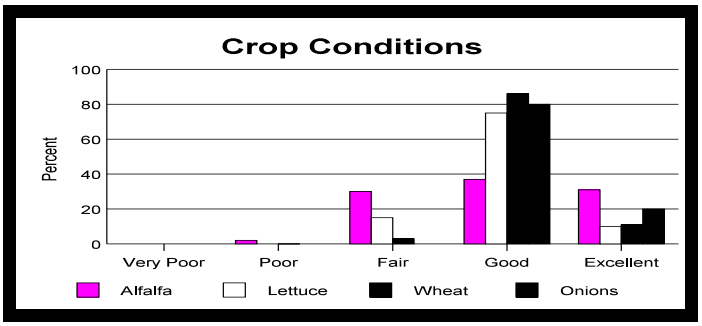
CROP SUMMARY FOR THE WEEK ENDING MARCH 27, 2005

NEW MEXICO: There were 4.9 days suitable for fieldwork. Topsoil moisture was 1% very short, 5% short, 81% adequate, and 13% surplus. Freeze damage was 13% light, 18% moderate and 12% severe. Wind damage was 22% light , 16% moderate and 1% severe. Farmers were busy with land preparation, fertilizing, fighting weeds, working on ditches and conservation efforts. Alfalfa was in mostly fair to excellent condition. Lettuce was listed as 15% fair, 75% good and 10% excellent. Onions were 80% good, 20% excellent, and 95% planted. Chile was 63% planted. Wheat was in mostly good condition and 51% was being grazed. Ranchers were busy marketing their late calves and maintaining their herds. Supplemental feeding is decreasing. Cattle were listed as 1% very poor, 5% poor, 46% fair, 40% good, and 8% excellent. Sheep were 2% very poor, 12% poor, 32% fair, 43% good and 11% excellent. Range and pasture was listed as 8% very poor, 15% poor, 27% fair, 44% good, and 6% excellent. There was good moisture with snow and rain.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

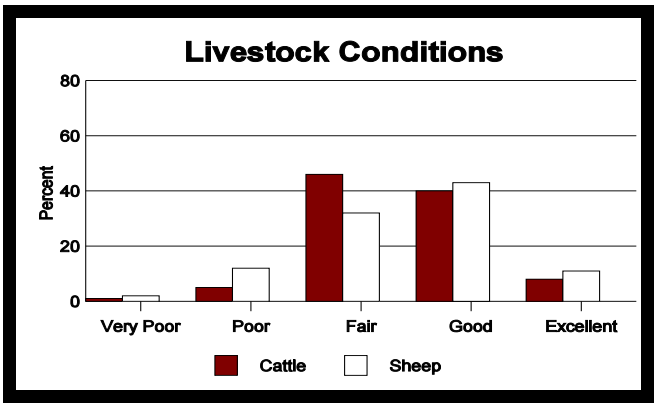
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Planted	63	43	51	39
ONIONS	Planted	95	90	99	99
WHEAT (ALL)	Grazed	51	75	40	N/A





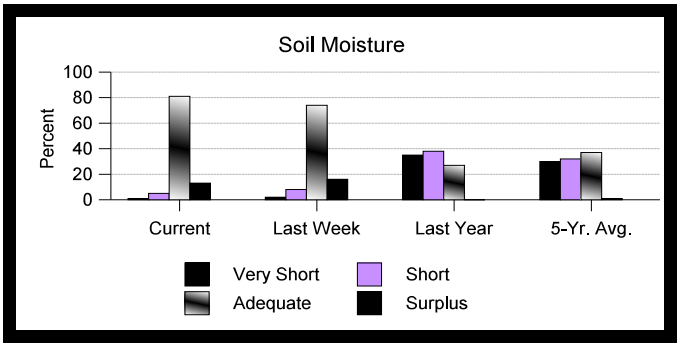
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	--	2	30	37	31
Lettuce	--	--	15	75	10
Onions	--	--	--	80	20
Wheat (All)	--	--	3	86	11
Cattle	1	5	46	40	8
Sheep	2	12	32	43	11
Range/Pasture	8	15	27	44	6



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	2	13	83	2
Northeast	--	--	80	20
Southwest	7	8	78	7
Southeast	--	2	82	16
State Current	1	5	81	13
State-Last Week	2	8	74	16
State-Last Year	35	38	27	--
State-5-Yr Avg.	30	32	37	1



WEATHER SUMMARY

Showery weather continued for much of New Mexico this past week. The more significant storm of the week passed through the state Friday and Saturday, leaving snow and cold rain over the northern half. Temperatures for the week were generally normal to a couple of degrees below normal.

NEW MEXICO WEATHER CONDITIONS - MARCH 21 - 27, 2005

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	03/21 03/27	03/01 03/27	Normal Mar	01/01 03/27	Normal Jan-Mar
Farmington	43.5	60	25	0.22	0.46	0.81	3.36	1.97
Gallup	37.7	56	17	0.18	1.65	1.05	5.46	2.59
Capulin	34.3	58	11	0.32	1.18	0.89	2.78	1.85
Chama	30.7	50	10	0.46	0.66	1.99	9.26	5.34
Johnson Ranch	38.9	55	23	0.18	1.31	0.74	3.67	1.98
Las Vegas	36.1	57	20	0.07	1.01	0.63	3.76	1.71
Los Alamos	36.4	49	26	0.64	2.02	1.22	6.76	2.88
Raton	35.6	57	14	0.16	0.70	0.83	3.60	1.84
Red River	28.9	48	8	0.25	1.55	1.78	6.74	4.07
Santa Fe	38.1	57	21	0.44	1.87	0.74	5.59	2.06
Clayton	40.6	65	21	0.19	0.79	0.55	3.00	1.10
Clovis	46.9	73	25	0.94	1.51	0.59	4.57	1.49
Roy	37.1	59	12	0.53	1.78	0.55	4.54	1.32
Tucumcari	45.8	71	25	0.45	2.16	0.40	4.92	1.13
Grants	40.4	61	15	0.15	1.02	0.50	3.55	1.50
Quemado	38.1	55	16	0.31	0.86	0.80	3.27	2.35
Silver City	43.8	62	22	0.00	0.00	0.96	7.66	3.37
Albuquerque	46.4	64	31	0.11	1.08	0.54	4.24	1.44
Carrizozo	32.8	66	22	0.00	1.93	0.57	5.78	1.74
Socorro	NA	NA	NA	0.00	0.69	0.27	3.40	1.05
Gran Quivera	40.4	63	22	0.38	1.68	0.72	5.24	2.24
Moriarty	39.8	58	17	0.07	1.75	0.53	4.86	1.44
Ruidoso	41.6	57	17	0.01	0.83	1.33	6.05	3.61
Carlsbad	54.4	79	30	0.19	0.63	0.30	3.00	1.00
Roswell	51.1	78	25	0.12	0.70	0.45	2.64	1.34
Tatum	7.4	65	38	0.02	0.37	0.52	2.49	1.41
Alamogordo	51.6	70	28	0.00	0.28	0.46	4.61	1.67
Animas	50.7	70	29	0.10	0.48	0.47	4.67	1.66
Deming	49.9	72	28	0.00	0.29	0.34	3.21	1.36
Las Cruces	51.1	75	33	0.00	0.15	0.22	3.60	1.05
T or C	51.2	71	28	0.01	0.36	0.34	2.67	1.18

The dairy industry in 2004 was covered with records: matching 2003 for record output; setting commercial use records for both milkfat and skim solids; and seeing average prices hit a record. In 2005, the industry may not need quite as many superlatives, but it is shaping up as a memorable year. Production and use probably will again set records with prices declining only moderately.

2004 Output Matches 2003: Milk production in 2004 struggled somewhat but managed to total essentially the same as in 2003. Output started the year weak but recovered slowly as strong returns buttressed cow numbers, the reverse of the prior year when low returns sapped cow numbers as the year progressed. Meanwhile, growth in milk per cow was erratic and generally weak.

Low returns during 2002 and the first half of 2003 boosted farm exits and discouraged expanding farms throughout 2003, resulting in steadily declining cow numbers during 2003. However, higher returns during the second half of 2003 and rapidly improving price prospects during the winter turned cow numbers around in early 2004. Milk cows rose fractionally to a late summer peak before easing slightly in autumn. At yearend, milk cow numbers were just slightly larger than a year earlier.

The reaction of cow numbers to the increase of about one-third in returns over concentrate costs was quite muted. The number of farms leaving dairying apparently did shrink in a relatively typical manner. However, producers were very cautious about expanding their farms. The very strong milk prices probably were interpreted as based on a unique and transitory set of factors, not fundamental changes in long-run prospects. In addition, the increases in milk prices were partially offset by smaller payments under the Milk Income Loss Contracts (MILC) for the smaller farms.

Other forces helped to limit the response to record milk prices. The number of dairy replacement heifers was significantly smaller at the start of 2004, particularly for heifers due to calve in 2004. The ban on imports of Canadian breeding stock aggravated the heifer shortage. In addition, the two exercises in cooperative supply management not only removed capacity early, but also kept those cows from becoming part of the replacement pool. Growth in milk per cow, already relatively weak through most of 2003, was hit by sharply reduced availability of bovine somatotropin (BST) in 2004. For the March-November period, producers could buy no more than half their normal purchases, with less restrictive allocations in place earlier and later. In addition, no new customers were accepted. Milk per cow was significantly reduced by the lack of the hormone, particularly early in the year.

However, softness in milk per cow was more deeply rooted than just the lack of BST. Most major dairy areas had forage quality problems during part of 2004. Although most areas had fairly large forage supplies, a substantial share was not dairy quality. In addition, the normal boost to average milk per cow because of structural change was lessened because the number of new and expanding farms and the number of exiting farms were relatively small.

Milk production in 2004 totaled virtually the same as 2003's record, as the decline in milk cow numbers of less than 1 percent was about offset by a less-than-1- percent rise (daily average basis) in milk per cow. Output was particularly weak during the first quarter, but then managed to post small increases during summer and autumn.

Milk Production To Expand: The herd of dairy replacement heifers was 3 percent larger than a year earlier on January 1, 2005, with the same increase in heifers expected to calve in 2005 as for younger heifers. This increase should significantly ease the heifer tightness this year and has already resulted in a small moderation in heifer prices. Even so, 2005 heifer prices are likely to remain relatively high. Without imports from Canada, even the larger heifer numbers may be less than desired. The difference between replacement and slaughter values probably will stay large enough to erase any significant influence of cull cow prices on milk cow numbers.

Returns in 2005 are expected to be considerably below 2004's very high levels but still relatively strong. Dairy farm exits probably will accelerate a little as the year progresses, particularly if the MILC expire as scheduled at the end of September. However, even weaker operations likely will be relatively well positioned to resist exit after 2 years of strong returns. Stronger farms probably will stay cautious about expanding until the size of recovery in milk production is seen. But, the accumulated earnings will tend to spur some expansion as 2005 goes on.

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Milk cow numbers are projected to slip fractionally in 2005. The loss of cows associated with farm exit and culling of those cows whose milking life was extended beyond normal criteria in 2004 is expected to slightly outweigh the effects of added capacity.

Allocations of BST rose on March 1 from 85 percent of normal to 115 percent, although new customers still are not welcome. Return to near-normal availability of BST and relatively strong economic incentive for its use should have a substantial impact on milk per cow. In addition, relative milk and concentrate feed prices will provide considerable incentive to boost feeding. A presumed return to more normal culling may also provide a boost, although positive effects are not assured.

Uneven forage quality might be a negative influence on milk per cow, particularly if spring forage growth is slow. Weakness should be limited though, because large supplies of mediocre hay and good milk prices probably will eliminate feeding of poor forage.

Problems may loom for production of western alfalfa this year. This winter's very heavy precipitation in southern California, Nevada, and Arizona will help provide irrigation water this summer but may reduce output from early cuttings. Surface water supplies in the Northwest likely will be very short unless late-season precipitation is very heavy. Some areas of the Northwest already faced seriously depleted aquifers after several dry years.

Mud problems substantially reduced milk per cow in southern California during early 2005. Even though this area's relative importance is considerably less than in earlier years, damage probably will be perceptible in the California and U.S. averages. Some impact reportedly was also seen in Arizona. The extent of lingering effects will hinge on how much culling rates rose because of the mud.

Milk per cow is projected to grow less than 3 percent in 2005 on a daily average basis, a significant but far from complete recovery from the sluggish expansion of the last 2 years. This higher milk per cow would push milk production up about 2 percent, the first real growth since 2002.