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UNITED STATES DEPARTMENT OF AGRICULTURE

National Agricultural Statistics Service
New Mexico Statistical Office

Weekly Ag Update

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Crop Weather   Agricultural Prices Received   ERS

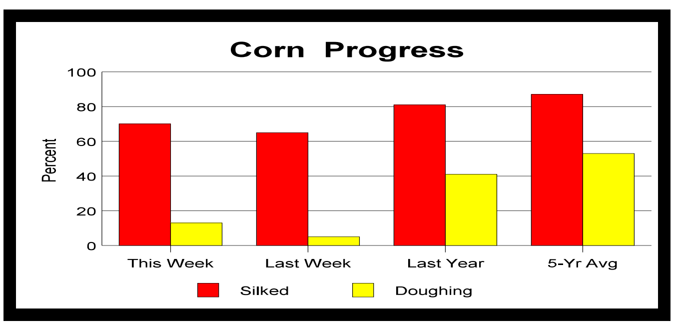
Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

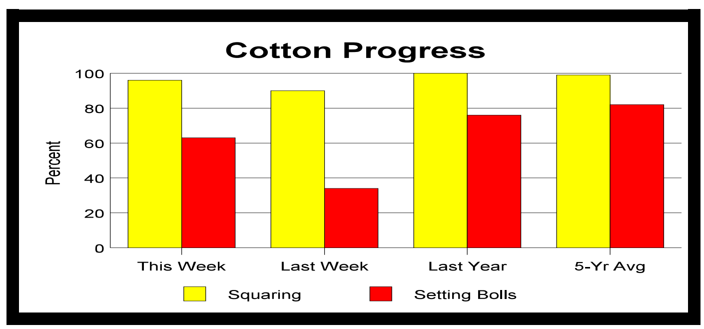
CROP SUMMARY FOR THE WEEK ENDING JULY 31, 2005

NEW MEXICO: There were 6.8 days suitable for field work. Topsoil moisture was 30% very short, 44% short and 26% adequate. Wind damage was 16% light and 17% moderate. Hail damage was 3% light and 4% moderate. Farmers were busy weeding and spraying for grasshoppers. There is concern in Socorro County over low chile yields due to disease. Alfalfa was in mostly fair to excellent condition with 92% of the third cutting complete and 45% of the fourth cutting complete. Cotton was in fair to excellent condition with 96% squared and 63% setting bolls. Corn was 70% silked, 13% doughed and 1% dented, with condition reported as 11% poor, 38% fair, 46% good and 5% excellent. Sorghum was 20% headed and condition was 5% very poor, 24% poor, 46% fair, 24% good and 1% excellent . Peanuts were in fair to good condition with 100% pegged. Chile pod set was 10% light and 90% average with conditions reported as 1% very poor, 20% poor, 27% fair, 34% good and 18% excellent. Onions were 95% harvested. Apples were in very poor to fair condition. Pecans were in fair to excellent condition. Ranchers are hauling water for livestock and there is concern ranchers may have to start culling cattle herds if there is not some moisture soon. Cattle was reported as 1% very poor, 10% poor, 29% fair, 51% good and 9% excellent. Sheep were 5% very poor, 8% poor, 38% fair, 44% good and 5% excellent. Range and pasture was reported as 9% very poor, 35% poor, 44% fair, 11% good and 1% excellent.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

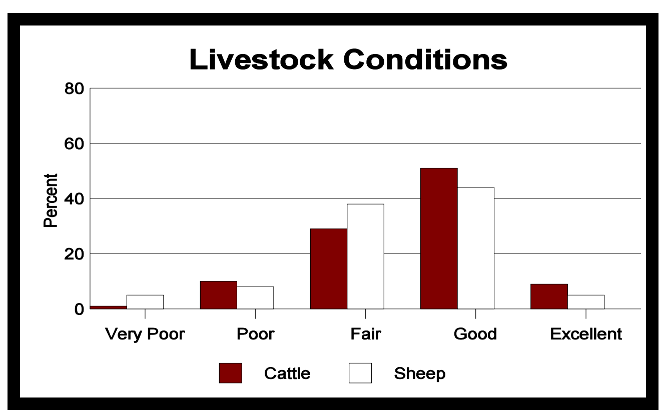
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CORN	Silked	70	65	81	87
CORN	Doughing	13	5	41	53
COTTON	Squaring	96	90	100	99
COTTON	Setting Bolls	63	34	76	82
ONIONS	Harvested	95	90	100	95
PEANUTS	Pegging	100	82	87	62
SORGHUM	Headed	20	11	18	19





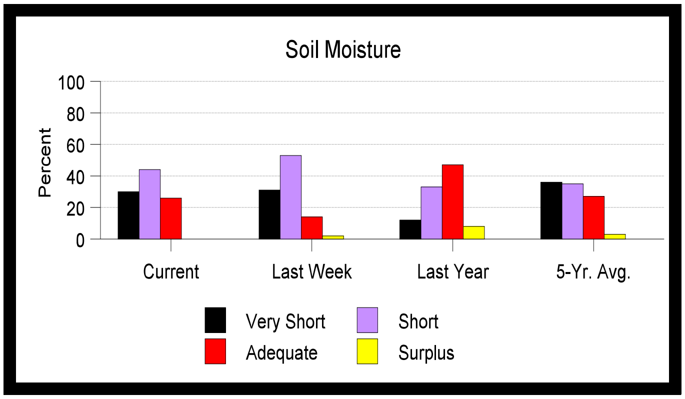
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	2	1	20	54	23
Apples	20	60	20	--	--
Chile	1	20	27	34	18
Corn	--	11	38	46	5
Cotton	--	--	38	32	30
Peanuts	--	--	21	79	--
Pecan	--	--	22	57	21
Sorghum (All)	5	24	46	24	1
Cattle	1	10	29	51	9
Sheep	5	8	38	44	5
Range/Pasture	9	35	44	11	1



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	29	45	26	--
Northeast	36	52	12	--
Southwest	60	40	--	--
Southeast	15	34	51	--
State Current	30	44	26	--
State-Last Week	31	53	14	2
State-Last Year	12	33	47	8
State-5-Yr Avg.	35	35	27	3



WEATHER SUMMARY

Scattered mainly afternoon and evening summer thunderstorms provided some measurable precipitation at all but a few locations, but no stations reported as much as an inch of moisture. Red River (0.82 inches) reported the greatest total for the week. A cold front pushed south and west through New Mexico around mid-week and provided a couple of days relief from summer heat.

NEW MEXICO WEATHER CONDITIONS - JULY 25 - 31, 2005

	Temperature			Precipitation				
Station	Mean	Maximum	Minimum	07/25 07/31	07/01 07/31	Normal Jul	01/01 07/31	Normal Jan-Jun
Farmington	77.2	99	59	0.46	0.69	0.94	5.46	4.31
Gallup	71.1	91	50	0.74	1.03	1.91	7.51	6.10
Capulin	64.9	86	45	0.02	0.98	3.25	11.19	10.52
Chama	65.1	88	44	0.65	3.07	2.24	18.1	11.08
Johnson Ranch	70.1	90	48	0.09	0.19	1.66	5.78	5.43
Las Vegas	65.9	87	46	0.41	1.03	3.2	11.19	9.60
Los Alamos	68.0	86	49	0.13	1.63	3.25	10.91	9.66
Raton	66.8	90	44	0.69	2.35	2.66	11.02	9.82
Red River	59.8	82	37	0.82	1.56	3.01	15.59	11.93
Santa Fe	70.2	90	49	0.3	0.47	2.38	7.93	7.64
Clayton	73.6	97	49	0.02	0.15	2.7	9.06	9.00
Clovis	74.8	98	51	0.07	2.02	2.56	8.9	9.57
Roy	69.8	91	50	0.66	1.81	2.97	11.38	9.03
Tucumcari	77.4	99	56	0.32	1.85	3.3	10.28	8.57
Grants	70.6	90	48	0.35	0.4	1.76	5.25	4.79
Quemado	67.4	88	45	0.76	1.22	2.37	6.63	6.56
Silver City	66.9	91	46	0.00	0.00	2.65	9.34	7.55
Albuquerque	77.9	91	64	0.16	1.03	1.37	6.97	4.42
Carrizozo	71.6	92	52	0.11	2.45	2.05	9.56	5.55
Socorro	76.3	92	55	0.00	0.27	1.44	4.7	3.94
Gran Quivera	71.2	91	48	0.00	1.10	2.81	9.35	7.52
Moriarty	68.1	90	43	0.09	0.45	2.38	7.66	6.37
Ruidoso	63.9	87	40	0.31	0.85	4.02	9.74	10.99
Carlsbad	77.8	102	61	0.35	0.46	1.79	5.04	5.74
Roswell	75.0	97	54	0.4	0.44	1.99	4.58	6.74
Tatum	73.4	98	52	0.78	0.96	2.52	7.12	8.69
Alamogordo	79.3	98	56	0.15	0.56	2.23	7.11	5.51
Animas	78.4	98	63	0.24	0.31	2.26	5.56	4.74
Deming	78.9	102	59	0.15	0.39	2.15	4.18	4.43
Las Cruces	79.9	100	63	0.20	0.45	1.36	4.8	3.63
T or C	79.4	97	62	0.21	0.51	1.86	4.01	4.44

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

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Hay prices in New Mexico for the month of July increased by $2.00 from $125.00 per ton to $127.00. Alfalfa prices saw the same increase of $2.00 from $128.00 per ton in June to $130.00 per ton in July. Cow prices dropped from $57.80 per hundredweight in June to $56.20 per hundredweight in July. The July price was still above the national average of $55.60. Steer and heifer prices decreased by $1.00 to $106.00 per hundredweight, $16.40 above the national average of $89.60. Calf prices remained $1.00 above the national average coming in at $134.00 per hundredweight. Milk prices in New Mexico for July came in at $13.90, with the national average coming in at $14.80 per hundredweight.

Prices Received by Farmers: Selected Commodities, June 2005 and July 2004-05

Commodity	Unit	New Mexico			U.S. [1/]
		July 2004 [1/]	June 2005 [2/]	July 2005 [1/]	July
		Dollars			
CROPS					
Grain Sorghum	Cwt.	–	–	–	4.11
Cotton, Upland	Lb.	–	–	–	.421
Potatoes	Cwt.	–	–	–	8.73
Hay, all baled	Ton	116.00	125.00	127.00	99.70
Alfalfa, baled	Ton	119.00	128.00	130.00	109.00
Peanuts	Lb.	--	--	--	4/
Corn	Bu.	--	--	--	2.15
Wheat, all	Bu.	--	--	--	3.25
LIVESTOCK					
Sheep [3/]	Cwt.	--	--	--	40.90
Lambs [3/]	Cwt.	--	--	--	114.00
Cows	Cwt.	59.00	57.80	56.20	55.60
Steers & Heifers	Cwt.	111.00	107.00	106.00	89.60
Calves	Cwt.	129.00	135.00	134.00	133.00
Milk	Cwt.	15.50	13.70	13.90	14.80

[1/] Mid-Month. [2/] Entire month. [3/] July - entire month. [4/] Price not published to avoid disclosure of individual firms.

Livestock Outlook

Economic Research Service, USDA

July 2005

Beef Prices Gain Relative to Competing Meats

Cattle and beef prices strengthened as the cattle inventory reached the low point in the cattle cycle, and beef production declined. Although the cattle sector has been reducing cow slaughter and retaining heifers for the expansion phase of the new cattle cycle, beef production will not begin to expand to a large degree until mid-2007. Cow-calf operators, after suffering through drought in many areas from 1998 through 2004, are now able to expand due to improved forage conditions and continued strong prices for their calves. However, feedlot and stocker operator returns have been very erratic due to the record stocker/feeder cattle prices and difficulty in passing the higher calf prices on in the marketing system against relatively lower priced competing meats.

Herd Expansion Continues

First-half female slaughter continues to decline fairly sharply. Total cow slaughter was down 7 percent, with beef cow slaughter down 8 percent and dairy cow slaughter down 5 percent. Similarly heifer slaughter is down 7 percent compared with first-half 2004. The mid-year *Cattle* report to be released July 22, will give a firmer indication of just how strong a herd expansion is under way. In addition the report will provide the first estimate on this year's calf crop, expected to show the first year-to-year gain since 1994. The number of heifers being retained will provide a first cut on the 2006 calf crop and rate of production expansion beginning in mid-2007 when the 2006 calf crop begins to be marketed from feedlots.

Spring Choice Beef Prices Set Record

In 2001 and 2002 retail prices for Choice beef averaged $3.35 a pound, while pork and broilers averaged $2.68 and $1.60 a pound, respectively. In 2004 beef prices had risen to $4.04 a pound, while

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NEW MEXICO AGRICULTURAL STATISTICS
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pork and poultry averaged $2.79 and $1.74 a pound. In the second quarter of this year beef prices averaged a record $4.23 a pound. Pork prices averaged $2.87 a pound and broilers averaged $1.73 a pound. The beef/pork price ratio in 2001-2002 was 1.25, while in the second quarter it widened to 1.48. The beef/broiler price ratio has widened from 2.09 in 2001-2002 to 2.45. The near-record beef prices provide evidence of the present strong consumer demand for beef, but it also raises concern about the relatively high prices today against competing meats. In addition, higher petroleum, energy, and interest costs are taking a bigger bite out of consumers' discretionary incomes. Second-quarter retail prices for Choice beef set a record this spring at $4.23 a pound, up nearly 2 percent from the former record set in fourth-quarter 2003 at $4.17 a pound and up over 3 percent from a year earlier. Beef prices have likely set the highs for the turning point of this cattle cycle as beef supplies increase seasonally in the second half of the year and as cattle under 30 months of age enter the market from Canada. Pork and broiler production are expected to rise 3 to 4 percent over year-earlier levels in the second half of 2005, putting additional

pressure on the relatively more expensive beef. After averaging $4.26 a pound in April and May, Choice retail beef prices declined to $4.18 a pound in June, about unchanged from June 2004.

Cattle Prices Also at Record Levels

Cattle prices continued on a record setting path in the first half of this year with fed cattle prices averaging in the upper $80s per cwt and Utility cows averaging in the upper $50s, both the result of tight beef supplies and continued strong beef demand. First-half beef production was down over 1 percent from a year earlier and down nearly 10 percent from 2003 when the May 20 ban on Canadian beef /cattle due to Bovine Spongiform Encephalopathy (BSE) was implemented. The ban on Canadian boneless beef from cattle under 30 months of age was lifted in August 2003. First-half prices for yearling feeder cattle were sharply above the year-earlier levels as tight supplies resulted in strong competition between cattle feeders and stocker operators. Producers in most of the country are experiencing the best grazing conditions in years. Although cattle feeders were in the black this spring, breakeven prices by mid-summer are moving toward the mid- to upper-$80s per cwt, reflecting record feeder cattle prices and modestly higher grain prices. Fed cattle prices are expected to average in the lower $80s this summer, putting margins in the red and taking some of the bloom off feeder cattle prices. Expected marginally larger feeder cattle supplies from this year's calf crop will also take some of the premium off stocker/feeder cattle prices.