New Mexico Agricultural Statistics Service

Weekly Ag Update

Issue 50-23 1-800-530-8810 e-mail: nass-nm@nass.usda.gov June 5, 2000

INCLUDED IN THIS ISSUE

Crop Weather Agricultural Prices Received ERS

Available on internet at: www.nass.usda.gov/nm OR by e-mail: (call 1-800-530-8810 for information)

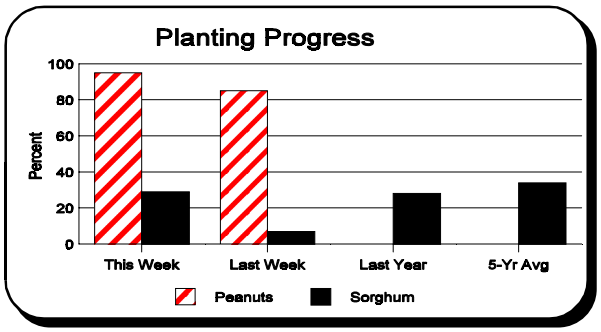
CROP SUMMARY FOR THE WEEK ENDING JUNE 4, 2000

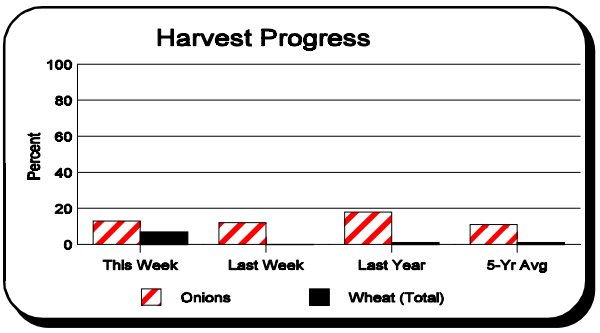
NEW MEXICO: There were 6.60 days suitable for field work. Although temperatures remained above normal, the state received some moisture during the week, generally improving crop conditions. Harvesting and irrigating were the main farm activities during the week. Onions were rated good to excellent with 13% harvested. Chile was in mostly good condition. The irrigated wheat crop remained in fair to good condition with total wheat only 7% harvested. Alfalfa was in mostly good condition and the 2nd cutting was 30% complete. Corn planting was completed with the crop in fair to good condition. Cotton planting was also completed with 5% squaring already. Peanuts were 95% planted. Ranchers were still busy branding calves and hauling water along with supplemental feeds to maintain the herds. Cattle conditions varied from very poor to good across the state. Sheep conditions were unchanged from the previous week. Pasture and range feed conditions improved slightly with the rain, reported as 31% very poor, 27% poor, 32% fair, and 10% good.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
PLANTING	Peanuts	95	82	1/	1/
	Sorghum (Total)	29	7	28	34
SQUARING	Cotton	5	0	0	0
HARVESTED	Onions	13	12	18	11
	Wheat (Total)	7	0	1	1

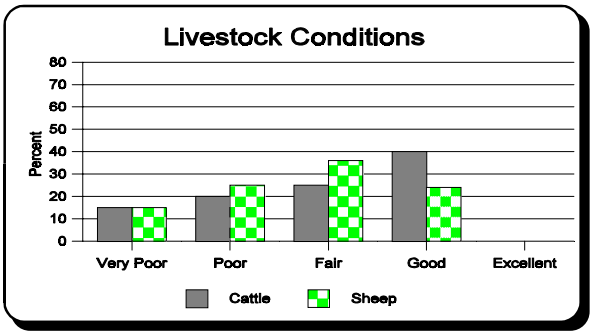
1/ Not Available.





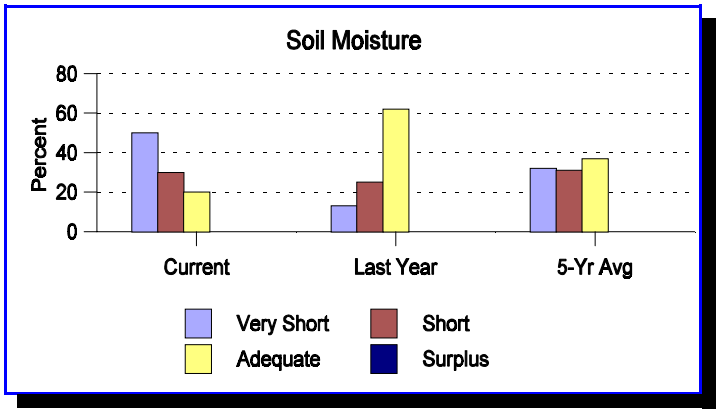
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	--	6	28	47	19
Apples	5	4	82	9	--
Chile	--	--	15	70	15
Corn	--	6	38	45	11
Cotton	--	1	28	55	16
Onions	--	--	12	55	33
Peanuts	--	--	45	55	--
Pecans	--	--	17	57	26
Wheat (Total)	17	22	30	31	--
Cattle	15	20	25	40	--
Sheep	15	25	36	24	--



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	40	49	11	---
Northeast	50	26	24	---
Southwest	88	7	5	---
Southeast	47	20	33	---
State	50	30	20	---
State-Last Year	13	25	62	---
State-5-Yr Avg.	32	31	37	---



WEATHER SUMMARY

Temperatures were above normal once again, and the mercury hit 100 degrees at locations in the south and east. The statewide average was between 6 and 7 degrees above normal. New Mexico got a preview of the "monsoon" as some tropical moisture streamed northward from Mexico. About two thirds of the reporting stations managed to receive some measurable precipitation. Moriarty (1.10") was the only site to record over an inch.

NEW MEXICO WEATHER CONDITIONS MAY 29-JUNE 4, 2000

	Temperature			Precipitation				
Station	Mean	Maximum	Minimum	05/29 06/04	06/01 06/04	Normal June	01/01 06/04	Normal Jan-Jun
Carlsbad	81.5	102	63	0.31	0.31	1.30	0.70	3.95
Hobbs	78.3	100	62	0.15	0.15	1.91	1.80	6.14
Roswell	79.4	101	60	T	0.00	1.61	0.83	4.25
Clayton	71.9	99	52	0.03	0.03	2.27	2.50	6.30
Clovis	75.9	100	59	0.74	0.74	2.84	2.82	7.01
Roy	69.6	93	45	0.00	0.00	2.08	2.40	6.06
Tucumcari	77.9	102	58	T	0.00	1.78	3.85	5.27
Chama	62.9	87	40	0.02	0.00	1.12	6.79	8.84
Johnson Ranch	67.1	95	41	0.26	0.26	0.68	4.23	3.77
Capulin	65.6	93	42	0.13	0.09	2.11	4.36	7.27
Las Vegas	67.8	94	49	T	0.00	1.92	1.92	5.76
Los Alamos	---	---	---	---	---	1.36	2.19	6.41
Raton	65.3	94	43	0.01	0.01	1.99	3.77	7.16
Santa Fe	70.1	95	40	0.12	0.12	1.17	1.84	5.26
Red River	57.6	83	35	0.12	0.12	1.40	8.73	8.92
Farmington	72.6	98	48	0.00	0.00	0.22	2.99	3.37
Gallup	67.9	94	37	0.00	0.00	0.45	2.43	4.19
Grants	68.1	94	43	0.00	0.00	0.55	2.27	3.03
Silver City	73.9	92	52	0.20	0.20	0.70	0.73	4.90
Quemado	64.8	90	34	0.80	0.80	0.41	3.46	2.90
Albuquerque	77.6	97	58	0.16	0.16	0.59	2.10	3.05
Carrizozo	72.3	98	48	0.00	0.00	0.78	1.46	3.50
Gran Quivera	71.4	96	49	0.00	0.00	1.01	1.90	4.71
Moriarty	69.4	98	45	1.10	1.10	0.92	3.37	3.99
Ruidoso	65.8	93	40	0.19	0.19	1.86	1.44	6.97
Socorro	73.8	98	52	0.19	0.19	0.57	2.38	2.50
Alamogordo	77.4	100	55	T	0.00	0.90	0.63	3.28
Animas	81.1	101	59	0.00	0.00	0.44	0.46	2.48
Deming	81.0	102	57	0.01	0.01	0.55	0.80	2.28
T or C	78.8	100	57	0.12	0.12	0.69	1.63	2.58
Las Cruces	79.8	100	55	0.08	0.08	0.72	0.29	2.27

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

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

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: May alfalfa hay prices, at $120.00 per ton, were $4.00 above April but $3.00 below last year's price of $123.00. The all hay price, at $117.00 per ton, was $3.00 above last month. Cow prices in May, at $42.00 per hundredweight, were virtually unchanged from last month, but were $2.60 above last year. This was $3.00 above the U.S. average of $39.00. Steer and heifer prices, at $81.10 per hundredweight, were $3.30 below last month, but were $12.10 above last year. This price was $7.90 above the U.S. average. Calf prices, at $104.00, were $6.00 below April but were $20.70 above last year. The New Mexico calf price was $5.00 below the U.S. average. Milk prices were $12.00 per hundredweight in May, 10 cents below last month and 30 cents below last May. The U.S. average was $12.00 per hundredweight in May.

Prices Received by Farmers: Selected Commodities, April 2000 and May 1999-2000

Commodity	Unit	New Mexico			U.S.
		May 1999	Apr 2000	May 2000 [1/]	May[1/]
CROPS		----------Dollars----------			
Grain Sorghum	Cwt	--	--	--	3.23
Cotton, Upland	Lb	--	--	--	.459
Potatoes	Cwt	--	--	--	6.53
Hay, all baled	Ton	97.00	114.00	117.00	89.40
Alfalfa, baled	Ton	123.00	116.00	120.00	93.90
Apples	Lb	--	--	--	.182
Corn	Bu	--	--	--	2.06
Wheat, all	Bu	--	--	--	2.56
LIVESTOCK					
Cows	Cwt	39.40	42.10	42.00	39.00
Steers & Heifers	Cwt	69.00	84.40	81.10	73.20
Calves	Cwt	83.30	110.00	104.00	109.00
Milk	Cwt	12.30	12.10	12.00	12.00

[1/] Mid-month.

Agricultural Outlook

USDA, ERS, May 2000

U.S. Farm Income Down in 2000 U.S. farm income is forecast down in 2000 as government payments to farmers decline from a record high in 1999 and as rising fuel prices push up production costs. Assuming no new emergency funding legislation, net farm income in 2000 is forecast to decline to $39.7 billion from the preliminary estimate of $44.2 billion for 1999. With field crop prices remaining relatively low and hog and cattle prices moving higher, crop farms will be affected more than livestock.

Fuel costs for farmers will be only modestly affected by the recent retreat in crude oil prices until at least late summer, after plantings are complete. The agriculture sector generally has limited ability, in the short run, to pass on higher fuel costs to consumers in the form of higher output prices.

A Fair Income for Farmers? Political debate over agricultural subsidies and the notion of a "fair" income from farming is likely to continue as farmers face persistent low field crop prices and the prospect of reduced farm income in 2000. To address policy implications of the debate, USDA's Economic Research Service (ERS) analyzed the financial performance of farms, delineating them by enterprise (commodity) type. Financial performance was measured by examining a farm's revenue relative to its economic costs of production. Focusing on wheat farms (those for which at least half of total value of production is from wheat), ERS found that the characteristics of U.S. wheat farms and their financial performance indicate diversity in the ways farmers manage their businesses and earn their living. Such heterogeneity illustrates the difficulties that confront policymakers in reaching consensus about the level and distribution of government income support.

Farm Finances Remain Healthy *The overall financial health* of farmers and their lenders remains solid in early 2000, despite low prices for major farm commodities over the last few years. Large Federal payments to farmers producing food and feed grains, oil crops, and cotton have mitigated the negative effect of lower prices on farm financial conditions and have played a key role in stabilizing farm income. Government payments, by providing liquidity to farmers, are reducing demand for credit and underpinning farm creditworthiness. All major institutional lender groups continue to report generally healthy farm loan portfolios, and most lenders report low levels of delinquencies, foreclosures, net loan charge-offs, and loan restructuring.

Higher interest rates in the general economy are expected in second-half 2000 and first-half 2001, putting upward pressure on interest rates for farm loans. However, the expected rise in farm loan rates is less than for nonfarm interest rates, reflecting the less-interest-sensitive deposit base of rural banks as well as the strong competition they face from the Farm Credit System.

UNITED STATES DEPARTMENT OF AGRICULTURE
NEW MEXICO AGRICULTURAL STATISTICS
PO BOX 1809
LAS CRUCES, NM 88004-1809

WEEKLY AG-UPDATE (USPS 418330) published weekly by USDA NASS, 2507 Telshor Blvd, Las Cruces, NM 88011. Periodical postage paid at Las Cruces, NM 88001 and additional mailing offices. POSTMASTER: Send address changes to AG-UPDATE PO Box 1809, Las Cruces, NM 88004-1809

Expected Cutback in Biotech Share of Corn & Cotton Plantings

USDA, ERS, MAY 2000

U.S. farmers have indicated intentions to cut back the share of acreage planted to corn and cotton developed through biotechnology. In 2000, shares of intended plantings for bioengineered (biotech) corn and cotton are down in major producing states--from 33 percent to 25 percent for corn, and from 55 percent to 48 percent for cotton. This signals a reversal of rapid adoption trends for biotech corn and cotton since 1996, when biotech seed was introduced. Change in the share of intended plantings of biotech soybeans is less clear, but the biotech share of soybean intended plantings accounts for 52 percent of total soybean acreage this year.

The adoption momentum for biotech corn and cotton has slackened. Factors that affect farmers' net returns--such as whether yield-increasing potential offsets a higher cost for biotech seed, and whether observed infestation levels of certain target pests indicate likely savings on pesticide costs--play a major role in producers' decisions regarding planting biotech crops vs.using conventional varieties. Uncertain market prospects for biotech crops triggered by potentially widening interest in food labeling regulation in various countries, as well as possible shifts in consumer preferences toward nonbiotech foods might also contribute to the cutback.

Although the decline in biotech corn plantings this year might partially reflect an overall market uncertainty for biotech crops, market demand for nonbiotech corn is currently very limited, accounting for only 1 percent of 1999 U.S. corn production, according to USDA's Economic Research Service. However, a reportedly record-low infestation level of European corn borers (ECB) in 1999, resulting from a general decline in borer populations, reduces the cost-effectiveness of biotech Bt varieties, which produce a protein that is toxic to the borer.

Market demand for nonbiotech soybeans accounts for only about 2 percent of U.S. soybean production. In contrast to corn, herbicide-tolerant soybeans--the most rapidly adopted biotech crop to date--remain popular with farmers this year. USDA's National Agricultural Statistics Service (NASS) estimates that just over half (52 percent) of this year's soybean acreage will be planted to herbicide-tolerant soybeans (excluding nonbiotech herbicide-tolerant varieties) compared with 57 percent last year (when NASS estimates included both biotech and conventional herbicide-tolerant varieties).

The share of planting intentions for herbicide-tolerant cotton is down, dropping from 28 percent last year to 20 percent. The increase of nearly 200,000 acres in mostly conventional upland cotton acreage in California, where little biotech cotton is grown, explains about half the decline. Another factor is the inflated 1999 share of biotech cotton following the large abandonment of cotton acreage (about 1 million acres, more likely conventional acreage) in Texas last year, because last year's shares are calculated as a percent of harvested acres. The expected biotech share in 2000 is calculated as intended biotech plantings divided by total intended planted acreage.