

FARM SECTOR ECONOMIC ANALYSIS

INCOME

The total value of the agriculture sector output from New Mexico farms and ranches increased by 17 percent from \$2.9 billion in 2009 to \$3.4 billion in 2010. The value of livestock production increased to \$2.4 billion in 2010, up 21 percent from 2009. The value of crop production increased to \$801 million, up 15 percent. Revenues from forestry and services totaled \$198 million in 2010, down 8 percent from the previous year. Direct government payments increased 12 percent to \$91.5 million. After deductions for production expenses, hired labor, and other economic factors, the state's net farm income totaled \$1.02 billion. Up \$ 626 million from previous year.

PRODUCTION EXPENSES

New Mexico farmers and ranchers purchased \$1.86 billion of inputs in 2010 to produce crops and livestock. This was down 4.5% from previous year. As in previous years, livestock feed continued to be the largest purchase at \$550 million, followed by livestock purchases of \$471 million. The repair and maintenance of capital items cost farmers and ranchers a decrease of 15 percent to \$116 million, and petroleum fuel and oil costs gained 7.1 percent to \$114 million. Property taxes were higher by 3.6 percent coming in at \$42 million.

CASH RECEIPTS

New Mexico crop and livestock product sales in 2009 totaled \$3.2 billion, a 22.8 percent increase from the previous year. Total cash receipts from livestock products increased in 2010 to \$2.4 billion. The number one cash commodity for the state was milk followed by cattle and calves as the number two cash commodity. Total crop cash receipts increased to \$780 million. Pecans were third in the state in total cash receipts boasting a 56 percent increase during the on-year. Hay sales dropped to \$114 million in 2010 but still remain the fourth largest cash commodity in the state.

Corn, including silage was the fifth largest commodity. Onions were ranked sixth with \$90.5 million, a 68 percent increase from 2009. Greenhouse and nursery receipts were steady at \$47 million and were ranked seventh. Wheat, chile, and cotton were again in the state's top ten commodities.

GOVERNMENT PAYMENTS

Direct government payments to New Mexico producers totaled \$91 million in 2010, up 12.2 percent from 2009 payments of \$82 million. If ranked with cash receipts, government payments would be our sixth largest cash commodity. Conservation program payments increased to \$48 million. Fixed Direct payments were up to \$16 million in 2010. Counter-Cyclical payments decreased to \$1.6 million, from \$7.0 million a year earlier. Milk Income Loss Payments decreased to \$3,279 from \$11 million a year earlier.

PRICES

Cattle prices improved during 2010. Prices for beef cattle averaged \$84.70 per hundredweight (cwt), a increase of \$11.80 from the 2009 price. Calf prices gained \$13.00 per cwt, to \$118.00. Cow prices, at \$59.90 per cwt, increased by \$12.00 per cwt. Steer and heifer prices averaged \$101.00 per cwt compared to \$88.70 in 2009. Milk prices, at \$15.80 per cwt, increased from the previous year's level of \$12.10 per cwt.

Alfalfa prices for the year averaged \$161.00 per ton, 4.5 percent above the 2009 average price. All hay increased by \$6 from the 2009 price of \$151 to \$157 per ton in 2010. Other hay prices averaged \$132 per ton in 2010, compared to \$126 in 2009. Prices for cotton, peanuts, potatoes and onions increased in 2009. Corn for grain, wheat, dry beans, and sorghum silage showed decreases from 2009. Pecan average price showed an increase of \$1.07 for the marketing season. Chile prices declined from 2009 averaging \$625 per ton.