



MONTHLY AG UPDATE – AUGUST 2010

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USDA/NASS NEW MEXICO FIELD OFFICE

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Agricultural Land Values Highlights

The United States farm real estate value, a measurement of the value of all land and buildings on farms, averaged \$2,140 per acre on January 1, 2010, up 1.4 percent from 2009. Regional changes in the average value of farm real estate ranged from a 4.9 percent increase in the Northern Plains regions to a 3.3 percent decline in the Southeast region. The highest farm real estate values remained in the Northeast region at \$4,690 per acre. The Mountain region had the lowest farm real estate value, \$911 per acre.

The United States cropland value increased by \$30 per acre (1.1 percent) to \$2,700 per acre. In the Northern Plains and Delta regions, the average cropland value increased 6.9 and 6.1 percent, respectively, from the previous year. However, in the Southeast and Mountain regions, cropland values decreased by 5.3 percent and 5.0 percent, respectively.

The United States pasture value was unchanged from 2009 at \$1,070 per acre. The Southeast region had the largest percentage decrease in pasture value, 5.6 percent

INCLUDED IN THIS ISSUE – AUGUST 2010

<u>Report</u>	<u>Release Date</u>
Land Values & Cash Rents	August 04, 2010
August Crop Production	August 12, 2010
Farm Expenditures	August 03, 2010
Agricultural Prices Received	July 30, 2010

below 2009. The Northern Plains region had the highest percentage increase, 3.8 percent above 2009.

NEW MEXICO: Farm real estate average value per acre for the state was \$480 unchanged from the previous year. Cropland average value per acre was \$1,820 a 0.6% increase from 2009. Irrigated cropland value was \$5,500 compared to \$5,490 per acre in 2009. Non-Irrigated value was \$400 per acre remaining constant with 2009. Pasture value increased by 3.6% to \$290 per acre. Farm real estate value of farmland and buildings for 2010 decreased by 2.5% to \$19,121.

Farm Real Estate Average Value per Acre, by Region and State, January 1, 2009-2010

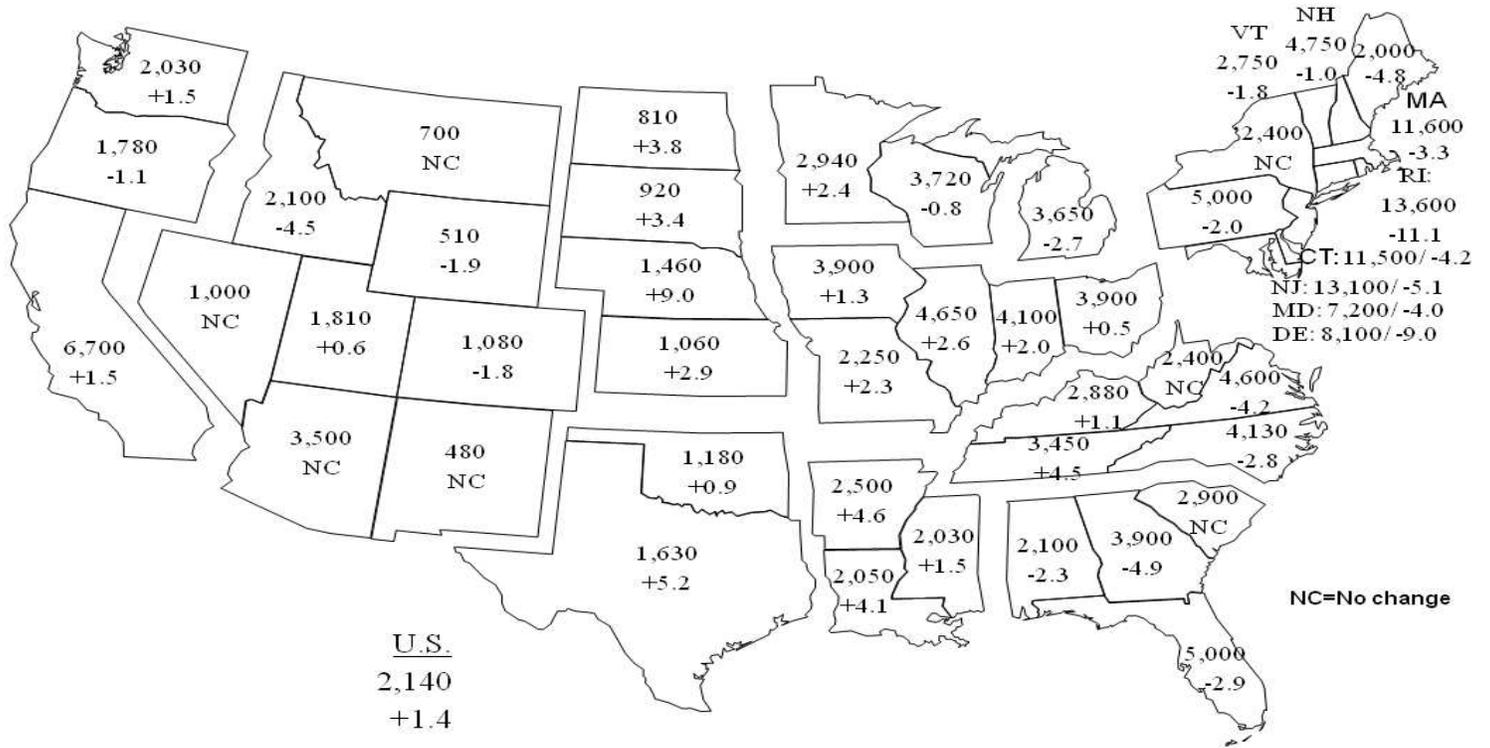
Region and State	All Land In Farms			Crop Land			Pasture and Range		
	2009	2010	Change 2009-2010	2009	2010	Change 2009-2010	2009	2010	Change 2009-2010
	-----Dollars-----		Percent	-----Dollars-----		Percent	---Dollars---		Percent
Southern Plains	1,470	1,530	4.1	1,380	1,430	3.6	1,300	1,340	3.1
OK	1,170	1,180	0.9	1,130	1,160	2.7	1,010	1,020	1.0
TX	1,550	1,630	5.2	1,480	1,540	4.1	1,360	1,410	3.7
Mountain	922	911	-1.2	1,610	1,530	-5.0	517	518	0.2
AZ ^{1/}	3,500	3,500	-	10,000	8,000	-20.0	900	950	5.6
CO	1,100	1,080	-1.8	1,300	1,290	-0.8	670	650	-3.0
NM ^{1/}	480	480	-	1,810	1,820	0.6	280	290	3.6
UT ^{1/}	1,800	1,810	0.6	2,810	2,720	-3.2	870	920	5.7
48 States ^{2/}	2,110	2,140	1.4	2,670	2,700	1.1	1,070	1,070	-

^{1/} Excludes American Indian Reservation land. ^{2/} Excludes Alaska and Hawaii.

See map on next page.

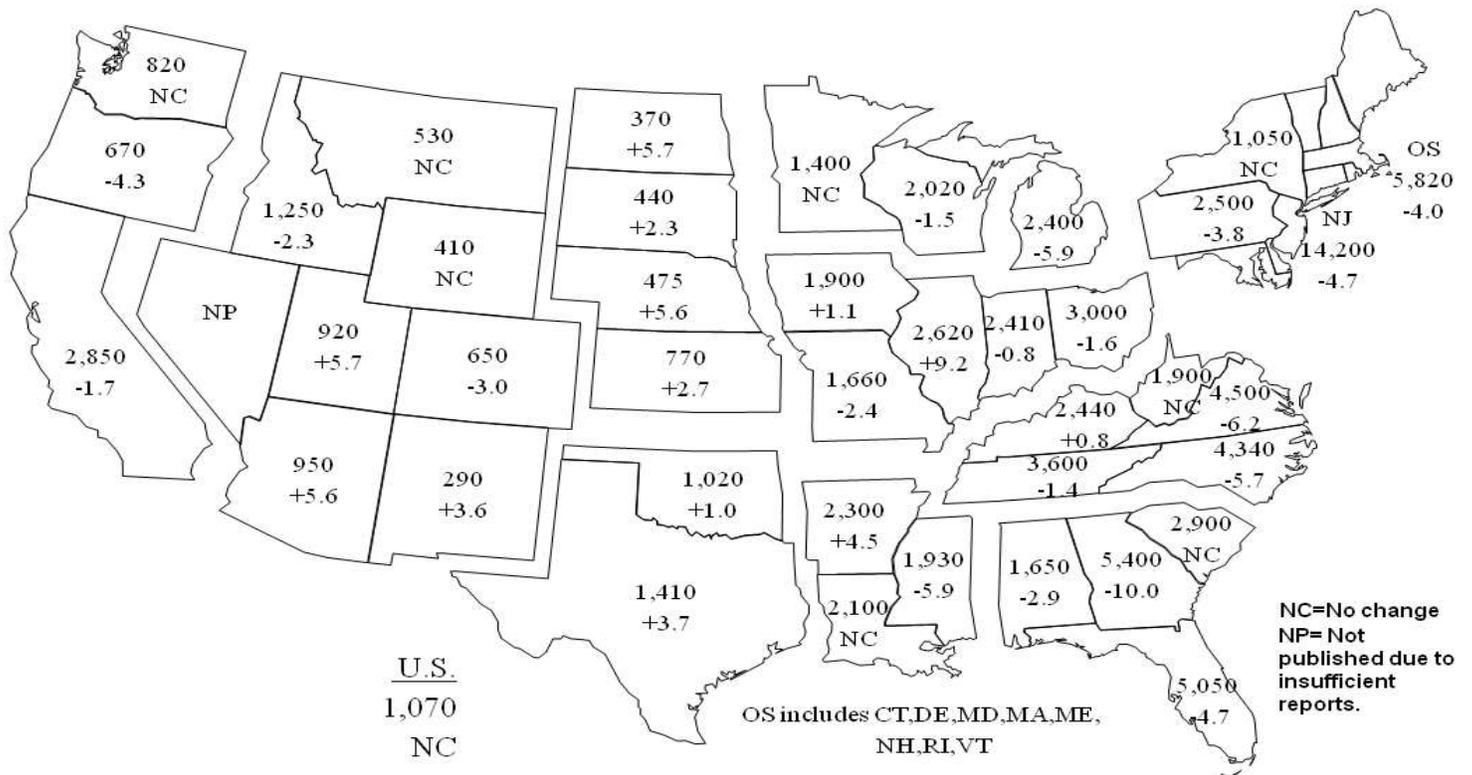
2010 Farm Real Estate Value by State

Dollars per Acre and Percent Change from 2009



2010 Pasture Value by State

Dollars per Acre and Percent Change from 2009



CROP PRODUCTION

NEW MEXICO: Upland cotton is expected to yield 1,125 pounds per acre, a 4% decrease from last year's estimated yield of 1,172 pounds per acre. Producers expect to harvest 32,000 acres. American-Pima cotton yields are expected to come in at 928 pounds per acre, much higher than last year's estimate of 686 pounds per acre with 3,000 acres expected to be harvested. Sorghum for grain production is forecast at 2.4 million bushels with yields averaging 47.0 bushels per acre compared to 46.0 bushels per acre in 2009. Harvested sorghum acreage is expected to be 50,000 acres. Peanut production is forecasted to reach 22.4 million pounds, up 3% from the 2009 production of 21.7 million pounds with 7,000 acres expected to be harvested. Dry edible bean production is expected to reach 311,000 pounds, 13% above the 2009 production of 275,000 pounds. Harvested acreage is expected to be 13,500 acres. Alfalfa production forecast is at 1.1 million tons, down 7 percent from last year.

UNITED STATES: Soybean production is forecast at a record high 3.43 billion bushels, up 2 percent from last year. Based on August 1 conditions, yields are expected to average 44.0 bushels per acre, unchanged from last year's record high yield. All cotton production is forecast at 18.5 million 480-pound bales, up 52 percent from last year's 12.2 million bales. Yield is expected to average 837 pounds per harvested acre, up 60 pounds from last year. Upland cotton production is forecast at 18.0 million 480-pound bales, 53 percent above 2009. American-Pima production is forecast at 497,800 bales, up 25 percent from last year. Sorghum production is forecast at 383 million bushels, up 1 percent from last year. Peanut production is forecast at 4 billion pounds, up 10 percent from last year. Dry edible bean production is forecast at 30.7 million pounds for 2010, up 21 percent from last year. Alfalfa production forecast is at 153.9 million tons, up 4 percent from last year.

August 2010 Crop Summary: Area Harvested, Yield, and Production, 2009 and Forecasted August 1, 2010

Crop	Unit	Area Harvested		Yield Per Acre		Production	
		2009	2010	2009	2010	2009	2010
		-----1,000 Acres-----		-----Units-----		-----1,000 Units-----	
NEW MEXICO							
All Cotton ^{1/2/}	Lb.	32.3	35.0	1,129.0	1,108.0	76	81
Upland Cotton ^{1/2/}	Lb.	29.5	32.0	1,172.0	1,125.0	72	75
A-P Cotton ^{1/2/}	Lb.	2.8	3.0	686.0	928.0	4	6
Hay (Alfalfa)	Tn.	240.0	220.0	5.1	5.2	1,224	1,144
Sorghum for Grain	Bu.	50.0	50.0	46.0	47.0	2300	2350
Peanuts	Lb.	7.0	7.0	3,100.0	3,200.0	21,700	22,400
Dry Edible Beans	Lb.	12.4	13.5	2,220.0	2,300.0	275	311
UNITED STATES							
All Cotton ^{1/2/}	Lb.	7,528.7	10,631.0	777.0	937.0	12,188	18,534
Upland Cotton ^{1/2/}	Lb.	7,390.5	10,424.0	766.0	831.0	11,788	18,036
A-P Cotton ^{1/2/}	Lb.	138.2	207.0	1,389.0	1,154.0	400	498
Hay (Alfalfa)	Tn.	21,227.0	20,732.0	3.4	2.6	147,442	153,894
Sorghum for Grain	Bu.	5,520.0	5,176.0	69.4	74.1	382,983	383,435
Soybeans	Bu.	76,372.0	77,986.0	44.0	44.0	3,359,011	3,433,370
Peanuts	Lb.	1,081.0	1,261.0	3,412.0	3,204.0	3,688,350	4,040,800
Dry Edible Beans	Lb.	1,463.0	1,707.8	1,733.0	1,798.0	25,360	30,700

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

U.S. Total Farm Production Expenditures¹ Down in 2009 Lower Fuel Expenditures Leads Decline

U.S. Total Farm Production Expenditures totaled \$287.4 billion in 2009 down from \$307.0 billion in 2008. This is the first major decline of farm expenditures since 1986. The 2009 Total Expenditures fell 6.4 percent compared to the 2008 rise of 8.3 percent. Total Expenditures for 2008 remain unchanged from a year ago. Two expense items showing increases from the previous year were; Rent, up 0.9 percent, and Seed and Plants, up 2.6 percent.

Major factors that impacted expenditures this year were general economic conditions and the price of crude oil. The sharp decline in petroleum prices was a major factor affecting Total Expenditures. Fuels, down 22.5 percent over previous year, had the largest decrease of any capital or non-capital expense. The decreasing cost of crude oil also contributed to the drop of Fertilizer and Agricultural Chemicals in 2009.

Total Fuels Expense was \$12.4 billion dollars. Diesel, the largest sub-component, was \$7.2 billion accounting for 58.2 percent of the total Fuels Expense. Diesel expenditures were down 26.8 percent in 2009. Gasoline was \$2.4 billion, down 19.3 percent. LP Gas was \$2.0 billion, down 3.9

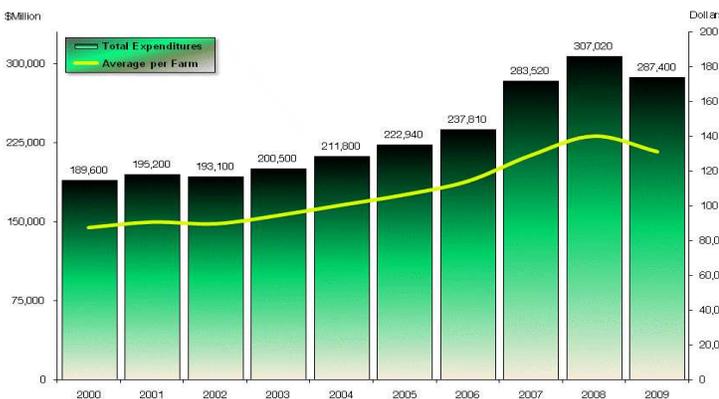
percent. Other Fuels were \$0.8 billion, down 27.3 percent.

Expenditures with the largest percentage drop were: Fuels, down 22.5 percent; Other Farm Machinery, down 20.3 percent; Tractors and Self Propelled Machinery, down 18.4 percent; Farm Improvements, down 10.8 percent; and Fertilizer, Lime, and Soil Conditioners, down 10.7 percent.

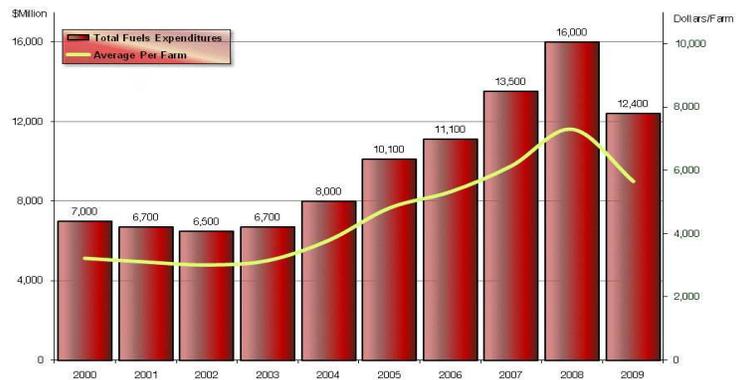
The four largest expenditures at the U.S. level totaled \$136.1 billion and accounted for 47.4 percent of Total Expenditures in 2009. They were Feed, 15.7 percent; Farm Services, 12.7 percent; Labor, 10.0 percent; and Livestock and Poultry Purchases, 9.0 percent.

In 2009, the U.S. Total Farm Expenditure average per farm was \$131,137 compared with \$140,075 in 2008, a decrease of 6.4 percent. On average, U.S. farm operations spent: \$20,533 on Feed, \$16,609 on Farm Services, \$13,141 on Labor, \$11,818 on Livestock and Poultry Purchases, \$9,171 on Fertilizer, Lime, and Soil Conditioners, and \$10,312 on Rent. For 2008, U.S. farms spent an average of: \$21,398 on Feed, \$17,337 on Farm Services, \$12,912 on Livestock and Poultry Purchases, \$13,550 on Labor, and \$10,220 on Rent.

Farm Production Expenditures, Total and Average Per Farm by Year – United States: 2000-2009



Fuels Expenditures, Total and Average Per Farm by Year – United States: 2000-2009



See tables on next page.

**Farm Production Expenditures: Farms Reporting, Average per Farm, and Total,
All Farms, United States, 2008-2009 1/**

Expenditure	Farms Reporting		Average per Farm		Total Expenditures	
	2008	2009	2008	2009	2008	2009
	Percent		----- Dollars -----		Million Dollars	
Total Farm Production Expenditures 2/	100	100	140,075	131,137	307,020	287,400
Livestock, Poultry, Feed & Related Expenses 3/	25.9	25.1	12,912	11,818	28,300	25,900
Farm Services 4/	93.3	92.8	17,337	16,609	38,000	36,400
Rent 5/	28.2	29.3	10,220	10,312	22,400	22,600
Agricultural Chemicals; Fertilizer, Lime & Soil Conditioners; Seeds & Plants 6/ 9/	45.7	47.8	22,492	21,490	49,300	47,100
Interest; Taxes (Real Estate & Property); Labor	99.7	99.6	23,907	22,905	52,400	50,200
Fuels; Farm Supplies & Repairs; Farm Improvements & Construction; Miscellaneous Capital Expenses 7/ 8/	85.1	82.5	21,863	19,255	47,920	42,200
Tractors Farm Machinery and Trucks & Autos	25.4	22.7	9,946	8,213	21,800	18,000

Crop Farms, United States, 2008-2009 1/

Total Farm Production Expenditures 2/	100	100	175,415	161,073	166,150	158,510
Livestock, Poultry, Feed & Related Expenses 3/	22.4	20.2	7,443	7,032	7,050	6,920
Farm Services 4/	88.4	88.3	23,100	22,092	21,880	21,740
Rent 5/	31.8	32.2	19,859	19,206	18,810	18,900
Agricultural Chemicals; Fertilizer, Lime & Soil Conditioners; Seeds & Plants 6/ 9/	63.1	58.8	45,577	42,414	43,170	41,740
Interest; Taxes (Real Estate & Property); Labor	99.9	99.7	34,914	32,518	33,070	32,000
Fuels; Farm Supplies & Repairs; Farm Improvements & Construction; Miscellaneous Capital Expenses 7/ 8	81.2	78.6	29,699	25,648	28,130	25,240
Tractors Farm Machinery and Trucks & Autos	27.9	24.6	14,823	12,163	14,040	11,970

Livestock Farms, United States, 2008-2009 1/

Total Farm Production Expenditures 2/	100	100	113,182	106,740	140,870	128,890
Livestock, Poultry, Feed & Related Expenses 3/	87.6	86.8	54,755	52,985	68,150	63,980
Farm Services 4/	97	96.5	12,952	12,141	16,120	14,660
Rent 5/	25.4	26.9	2,884	3,064	3,590	3,700
Agricultural Chemicals; Fertilizer, Lime & Soil Conditioners; Seeds & Plants 6/ 9/	41.8	38.8	4,926	4,439	6,130	5,360
Interest; Taxes (Real Estate & Property); Labor	99.5	99.4	15,530	15,072	19,330	18,200
Fuels; Farm Supplies & Repairs; Farm Improvements & Construction; Miscellaneous Capital Expenses 7/ 8/	88.0	85.8	15,900	14,046	19,790	16,960
Tractors Farm Machinery and Trucks & Autos	23.5	21.2	6,235	4,994	7,760	6,030

1/ Excludes AK and HI. 2/ Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding.

3/ Includes purchases and leasing of livestock and poultry. 4/ Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities.

5/ Includes public and private grazing fees. 6/ Includes material and application costs. 7/ Includes bedding and litter, marketing containers, power farm shop equipment, oils and lubricants, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. 8/ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. 9/ Excludes bedding plants, nursery stock, seed purchased for resale, and includes seed treatment.

More at: <http://usda.mannlib.cornell.edu/usda/current/FarmProdEx/FarmProdEx-08-03-2010.pdf>

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Alfalfa hay prices for July averaged \$157.00 per ton, \$7.00 above the July 2009 price of \$150.00 and \$40.00 above the national average of \$117.00 per ton. All Hay prices for July were \$154.00 per ton, \$6.00 above the July 2009 price of \$148.00 and \$42.00 above the national average of \$112.00 per ton. Cow prices increased by \$1.00 from last month to \$65.00 per hundredweight, \$6.60 above the national average of \$58.40. Steer and heifer prices

decreased to \$99.00 per hundredweight from the previous month's price of \$100.00. This average was \$3.90 above the national average price of \$95.10. Calf prices were up \$2.00 to \$115.00 per hundredweight, \$4.00 below the national average price of \$119.00. Milk cow replacements for July were \$1,320 per head. Milk prices increased \$0.60 from the June price of \$14.90 per hundredweight to \$15.50 per hundredweight.

Prices Received by Farmers: Selected Commodities, June 2010 and July 2009-2010

Commodity	Unit	New Mexico			U.S. ^{1/}
		July 2009 ^{2/}	June 2010 ^{2/}	July 2010 ^{1/}	July
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt.	-	-	-	5.90
Cotton, Upland	Lb.	-	-	-	0.675
Potatoes	Cwt.	-	-	-	8.88
Hay, all baled	Ton	148.00	152.00	154.00	112.00
Alfalfa, baled	Ton	150.00	155.00	157.00	117.00
Peanuts	Lb.	-	-	-	0.218
Corn	Bu.	-	-	-	3.55
Wheat, all	Bu.	-	-	-	4.74
LIVESTOCK					
Sheep ^{3/}	Cwt.	-	-	-	43.30
Lambs ^{3/}	Cwt.	-	-	-	120.00
Cows	Cwt.	48.50	64.00	65.00	58.40
Steers & Heifers	Cwt.	89.50	100.00	99.00	95.10
Calves	Cwt.	102.00	113.00	115.00	119.00
Milk	Cwt.	10.50	14.90	15.50	16.00
Milk Cow Replacement	Head	1,300.00	-	1,320.00	1,320.00

^{1/} Mid-month ^{2/} Entire month ^{3/} June - entire month