



Weekly Ag Update

USDA/NASS
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Crop Weather Annual Milk Production Cotton Outlook

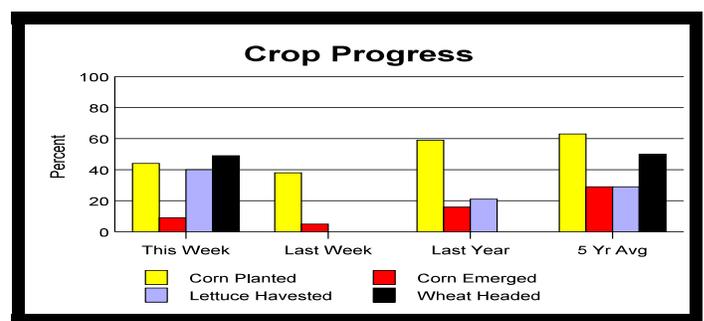
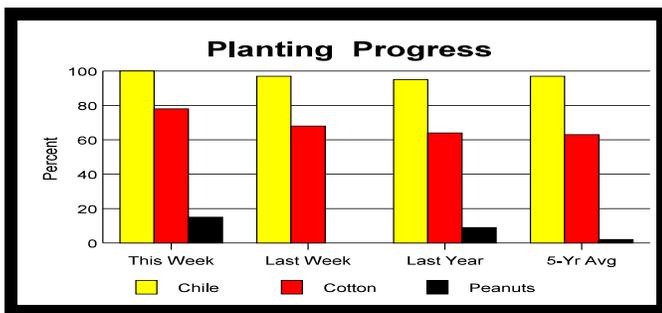
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CROP SUMMARY FOR THE WEEK ENDING May 7, 2006

NEW MEXICO: There were 6.9 days suitable for field work. Topsoil moisture was 65% very short, 24% short, and 11% adequate. Wind damage was 14% light, 6% moderate, and 1% severe, with no reports of significant damage. Farmers spent the week planting corn and cotton, harvesting hay and lettuce, irrigating, and some areas spraying for pests and weed control. Alfalfa was reported as 2% very poor, 4% poor 48% fair, 34% good and 12% excellent with 70% of the first cutting complete. Irrigated winter wheat condition was reported as 5% poor, 49% fair, 30% good and 16% excellent. Dryland wheat condition was reported in 70% very poor condition, 27% poor and 3% fair. Total wheat headed was reported at 49%. Lettuce harvest began and is at 40% harvested with conditions reported in mostly good to excellent condition. Cotton planted was reported at 78%. Chile condition was in mostly fair to excellent condition with 100% of the crop planted. Onions were in mostly good to excellent condition. Corn was reported as 44% planted and 9% emerged. Ranchers continue to supplement feed and haul water. Reports of locoweed were received with some ranchers having trouble keeping cattle off due to no other greens being available. Cattle conditions were reported at 3% very poor, 18% poor, 44% fair, and 35% good. Sheep were 5% very poor, 12% poor, 67% fair, and 16% good. Ranges and pastures are needing moisture with conditions reported as 32% very poor, 30% poor, 28% fair, and 10% good.

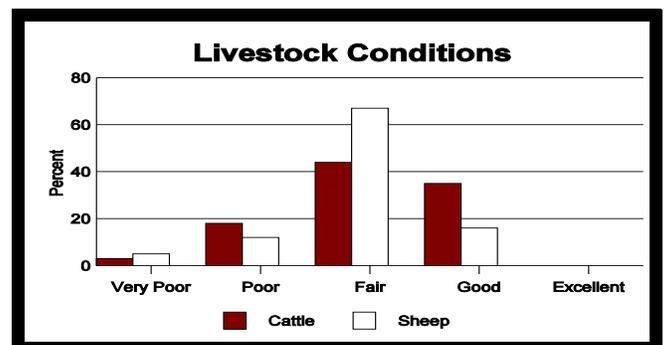
CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Planted	100	97	95	97
CORN	Planted	44	38	59	63
CORN	Emerged	9	5	16	29
COTTON	Planted	78	68	64	63
LETTUCE	Harvested	40	N/A	21	29
PEANUTS	Planted	15	N/A	9	2
WHEAT (ALL)	Headed	49	N/A	N/A	50



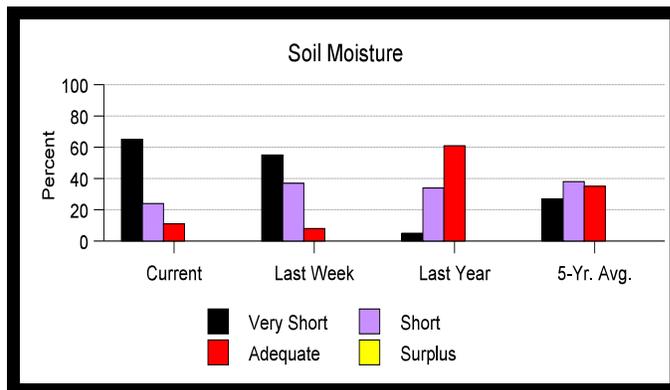
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	2	4	48	34	12
Apples	50	30	10	10	---
Chile	---	---	15	63	22
Lettuce	---	---	10	60	30
Onions	---	---	6	44	50
Wheat (All)	46	20	19	10	5
Cattle	3	18	44	35	---
Sheep	5	12	67	16	---
Range/Pasture	32	30	28	10	---



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	66	33	1	---
Northeast	76	11	13	---
Southwest	70	25	5	---
Southeast	48	33	19	---
State Current	65	24	11	---
State-Last Week	55	37	8	---
State-Last Year	5	34	61	---
State-5-Yr Avg.	27	38	35	---



WEATHER SUMMARY

Temperatures for the week were very close to normal nearly everywhere. Some scattered showers and thunderstorms developed over portions of the north and east...mainly during the latter half of the week. Some of the storms likely produced large hail over the far eastern counties. Although the storms were hit and miss, Tucumcari (.75"), Roy (.62") and Capulin/Des Moines (.55") all picked up over half an inch of rain.

NEW MEXICO WEATHER CONDITIONS - MAY 1-7, 2006

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	05/01 05/07	05/01 05/07	Normal May	01/01 05/07	Normal Jan-May
Farmington	60.9	82	38	0.00	0.00	0.67	1.69	3.15
Gallup	56.1	75	30	0.00	0.00	0.51	1.52	3.74
Capulin	51.4	75	35	0.55	0.55	2.30	1.79	5.16
Chama	49.3	71	25	0.00	0.00	1.11	3.48	7.72
Johnson Ranch	54.5	78	29	0.00	0.00	0.62	0.24	3.09
Las Vegas	55.9	76	34	0.31	0.31	1.82	0.60	4.36
Los Alamos	57.1	74	40	0.07	0.07	1.17	1.41	5.05
Raton	54.6	77	37	0.18	0.18	2.27	0.77	5.17
Red River	45.6	66	25	0.00	0.00	1.77	6.20	7.52
Santa Fe	57.6	79	37	0.11	0.11	1.22	0.85	4.09
Clayton	57.3	84	43	0.43	0.43	1.99	1.51	4.03
Clovis	64.3	90	46	0.32	0.32	1.87	2.19	4.17
Roy	56.8	80	39	0.62	0.62	1.84	1.28	3.98
Tucumcari	64.0	91	45	0.77	0.77	1.49	1.69	3.49
Grants	56.3	80	31	0.00	0.00	0.53	0.89	2.48
Quemado	50.8	77	24	0.00	0.00	0.50	1.15	3.45
Albuquerque	66.4	84	48	0.00	0.00	0.50	0.31	2.46
Carrizozo	63.8	85	40	0.00	0.00	0.62	0.57	2.72
Socorro	61.3	82	38	0.00	0.00	0.52	0.06	1.93
Gran Quivera	62.1	81	38	0.00	0.00	0.82	0.27	3.70
Moriarty	56.9	83	32	0.20	0.20	0.97	0.75	3.07
Ruidoso	55.3	77	32	0.00	0.00	0.87	1.28	5.11
Carlsbad	73.2	95	52	0.00	0.00	1.16	2.11	2.65
Roswell	68.7	92	39	0.00	0.00	1.24	0.47	3.23
Tatum	67.1	91	47	0.01	0.01	2.09	2.30	4.14
Alamogordo	72.2	89	52	0.00	0.00	0.45	0.47	2.38
Animas	69.7	90	50	0.00	0.00	0.18	0.38	2.04
Deming	68.3	94	45	0.00	0.00	0.19	0.58	1.73
Las Cruces	69.2	91	49	0.00	0.00	0.29	0.22	1.55
T or C	69.0	88	50	0.00	0.00	0.49	0.13	1.89

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

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

COTTON OUTLOOK

April 11, 2006

U.S. Textile and Apparel Trade Rises Further in 2005: U.S. textile and apparel trade's expansion continued in calendar year 2005 as the first year without the Multi-fiber Arrangement (MFA) quotas allowed for increased trade flows. Fiber product imports reached nearly 19.1 billion raw-fiber-equivalent pounds—a record—while exports were similar to those in 2004 at 5 billion. As a result, net fiber product imports reached a high of 14 billion pounds, 11 percent above 2004.

Net imports of cotton products continued to account for the largest share, about 58 percent of the total in 2005. The liberalization of textile product trade has led to higher U.S. imports and lower mill use. In 2005, U.S. cotton textile and apparel imports rose for the 17th consecutive year to 10.5 billion pounds. And, despite the domestic industry's decline, U.S. cotton product exports were sustained at 2.3 billion pounds, similar to the previous 2 years. Exports of cotton yarn, thread, and fabric remain essential, as they now account for 75 percent of the total U.S. cotton products exported.

U.S. Cotton Area Projected to Rise Slightly in 2006: U.S. cotton planted area in 2006 is expected to rise 3 percent from last year based on the U.S. Department of Agriculture's (USDA) *Prospective Plantings* report released at the end of March. As of early March when the survey was administered, farmers intended to plant 14.6 million acres to cotton in 2006, about 400,000 more than in 2005 and the largest in 5 years. Upland cotton plantings are projected to reach 14.3 million, also the highest since 2001, while extra-long staple (ELS) area is expected to jump to 334,000 acres, 24 percent higher than in 2005 and the largest since 1989's record. These estimates will be updated at the end of June in the USDA's *Acreage* report.

According to *Prospective Plantings*, U.S. upland cotton area is forecast to increase in each of the regions of the Cotton Belt except the West. Cotton area in both the Southeast and Delta is expected to rise 5 percent from a year ago, to 3.2 million and 4.1 million acres, respectively. The projected area for the Southeast is the largest in 4 years, while the Delta acreage would be at its highest in 5 years.

Upland cotton area in the Southwest is projected to rise to 6.4 million acres, 3 percent above 2005 and the highest since 6.7 million acres were planted in 2000. However, producers in the Southwest hope to harvest more area this season than in 2000, when abandonment approached 32 percent. Recent record yields with low abandonment have apparently encouraged one of the largest crop areas since 1981.

In the West, upland acreage is expected to fall 18 percent to 585,000 acres as area in the region—particularly in California—is shifted into ELS in 2006; supplies of ELS cotton remain limited and prices are more favorable than those for upland cotton. Although upland area in the West has been trending lower over the last decade, the 2006 projection would be the lowest plantings since 1944.

U.S. 2005/06 Cotton Supply and Demand Adjustments: The 2005/06 U.S. cotton crop was raised this month to 23.9 million bales (upland—23.27 million bales and ELS—630,000 bales), as indicated in the March *Cotton Ginnings* report. USDA will release final production estimates on May 12th. With beginning stocks and imports unchanged this month, the season's cotton supply is now estimated at nearly 29.5 million bales, 2.7 million (10 percent) above 2004/05 and the largest on record.

U.S. cotton demand was also revised upward in April to 23 million bales, 300,000 above last month's forecast and also a record. U.S. cotton exports continue to dominate demand as they now are forecast to reach a remarkable 17 million bales. The strength of foreign cotton mill use—particularly in China—has led to a foreign import demand estimate of over 43 million bales this season. With the lower trend continuing for U.S. mill use and back-to-back record crops, the United States is able to supply much of the worldwide cotton demand. At the current export forecast, the U.S. share of global trade is estimated at 40 percent, slightly below the past 2 years.

With record U.S. production exceeding demand for the second consecutive season, ending stocks are forecast to rise 1 million bales to 6.5 million in 2005/06. The implied stocks-to-use ratio is estimated at 28.3 percent, up from 26.3 percent last season. Ending stocks and the stocks-to-use ratio are forecast at their highest since the 2001/02 season.

U.S. January Textile Trade Rises: January 2006 textile imports, at 1.5 billion (raw-fiber-equivalent) pounds, were 10 percent above December and 9 percent above a year earlier. Imports of all major fibers and all major end-use categories rose from a month earlier. Cotton textile imports, at 827 million pounds, accounted for 55 percent of total monthly shipments and were 8 percent above December 2005. Asian countries remain the dominant source of U.S. cotton textile imports, accounting for 69 percent in January.

U.S. textile exports totaled 375 million pounds, up 13 percent from December but 6 percent below a year ago. Exports in January increased for all major fibers compared with December 2005. Increased shipments of apparel and yarn, thread, and fabric also occurred in January. U.S. cotton textile exports, at 173 million pounds, were 14 percent above December. Exports to other North American countries accounted for 91 percent of the January total, slightly below January 2005.

The textile trade deficit for total fibers during January 2006 was 1.1 billion pounds, 14 percent above a year ago. In addition, the cotton textile trade deficit rose 16 percent above January 2005. Cotton's share of the textile trade deficit was 58 percent, up 1 percent from a year earlier. The textile trade deficits of manmade fibers and wool also rose in January, while the deficits for silk and linen were below year-ago levels.

ANNUAL MILK PRODUCTION AND DISPOSITION

NEW MEXICO: Average number of milk cows on farms in 2005 increased to 328,000 head from 326,000 head in 2004. New Mexico's total milk production in 2005 increased to 6.9 billion pounds with the rate per cow increasing to 21,192 from 20,583 pounds the previous year. Whole milk sold to plants and dealers in 2005 was 6.9 billion pounds, up from 6.6 billion pounds in 2004. Prices decreased by \$0.80 from the previous year's total to \$14.30 per hundredweight in 2005. Cash receipts from marketings in 2005 dropped from \$1 billion to \$981 million with producer income decreasing from \$1 billion to \$984 million in 2005.

UNITED STATES: Milk production increased 3.5 percent in 2005 to 177 billion pounds. The rate per cow, at 19,576 pounds, was 609 pounds above 2004. The annual average number of milk cows on farms was 9.04 million head, up 29,000 head from 2004. Cash receipts from marketings of milk during 2005 totaled \$26.7 billion, 2.4 percent lower than 2004. Producer returns averaged \$15.20 per hundredweight, 5.8 percent below 2004. Marketings totaled 176 billion pounds, 3.6 percent above 2004. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers. An estimated 1.08 billion pounds of milk were used on farms where produced, 2.4 percent less than 2004. Calves were fed 87 percent of this milk, with the remainder consumed in producer households.

Milk Production, Disposition, Price, and Income, Selected States and U.S., 2005 ^{1/}

State	Milk Cows on Farms ^{2/}	Milk Production Per Cow	Total Milk Production ^{3/}	Used on Farms ^{3/}	Total Milk Marketed ^{4/}	Price Per 100 Pounds	Cash Receipts from Marketings	Producer Gross Income ^{5/}
	1,000 Head	Pounds	-----Million Pounds-----			Dollars	-----1,000 Dollars-----	
CA	1,755	21,404	37,564	42	37,522	13.92	5,223,062	5,223,897
ID	455	22,332	10,161	32	10,192	14.00	1,418,060	1,418,340
MI	311	21,656	6,735	50	6,685	15.40	1,029,490	1,029,952
MN	453	18,091	8,195	100	8,095	15.40	1,246,630	1,247,400
NM	328	21,192	6,951	88	6,863	14.30	981,409	984,555
NY	648	18,639	12,078	42	12,036	15.90	1,913,724	1,914,042
PA	561	18,722	10,503	6	10,497	16.90	1,773,993	1,774,162
TX	320	20,131	6,442	25	6,417	15.30	981,801	982,107
WA	241	23,270	5,608	23	5,585	14.90	832,165	832,314
WI	1,236	18,500	22,866	252	22,614	15.60	3,527,784	3,530,904
U.S.	9,041	19,576	716,989	1,077	175,912	15.20	26,737,882	26,758,633

^{1/} May not add due to rounding. ^{2/} Average number during year, excluding heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{4/} Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and milk sold directly to consumers. Also includes milk produced by institutional herds. ^{5/} Cash receipts from marketings of milk and cream plus value of milk used for human consumption.