

Crossroads Resource Center

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Tools for Community Self-determination

High Plains and Ogallala region Local Farm & Food Economy

Highlights of a data compilation
by Ken Meter, Crossroads Resource Center (Minneapolis)
for
New Mexico Bioneers
July 27, 2009

This bioregion encompasses Curry, Lea, Quay, Roosevelt, & Union Counties of New Mexico.

Note: Bioregional boundaries do not follow county lines. However, data used in this summary are reported only by county. This regional overview covers the counties listed in their entirety, which is only an approximation of the defined bioregion.

High Plains and Ogallala region: (Bureau of Economic Analysis)

134,837 residents receive \$4 billion of income annually (2007). Real personal income has doubled since 1969, in part due to population increase. Although population has risen, there has been little public planning to assure a secure and stable food supply.

Issues affecting low-income residents of the High Plains Region:

57,395 residents (45%) earn less than 185% of federal poverty guidelines. At this level of income, children qualify for free or reduced-price lunch at school. These lower-income residents earn a combined \$553 million per year, including \$107 million buying food. Their food purchases are supplemented by SNAP benefits (formerly known as food stamps) and by WIC coupons (these two benefits combined generally amount to about 10-15% of low-income food expenditures). Low-income residents alone lost \$35 million in assets in the year 2007. *Data from Federal Census of 2000, & Bureau of Labor Statistics.*

Food-related health conditions in New Mexico:

One-fifth (20%) of New Mexico residents have no health insurance — the second highest rate in the U.S. Only half of state employers offer health coverage.¹ This lack of insurance carries significant public costs, since both county governments and medical facilities pay for treating customers who are not covered. Costs of this treatment are estimated to be \$6 billion per year.²

¹ Robert Wood Johnson Foundation, State summary for New Mexico, <http://covertheuninsured.org/>, accessed May 24, 2009.

² New Mexico Human Services Department (2007). "Summary of New Mexico's Universal Health Coverage Reform Efforts." SCI/Academy Health Summer Workshop for State Officials, August 2. Viewed May 24,

Food has become a leading cause of death in the U.S, rivaling tobacco. A high-calorie diet, combined with a lack of exercise, accounts for one-fifth of the annual deaths in the U.S.³ Six of the fifteen leading causes of death are related to poor diet and low physical activity.⁴

60% of New Mexico residents are overweight or obese, with one-third (34%) overweight and more than one-quarter (26%) obese. Nearly four of every five state residents (78%) eat fewer fruits and vegetables that nutritionists recommend (five servings per day), and 22% report they have no physical activity. 7.8% of state residents have been diagnosed with diabetes. *Source: Centers for Disease Control.*

The region's ranches and farms (U.S. Census of Agriculture, 2007)

Agriculture Census data for 2007 were released February 4, 2009. Note that the Census of Agriculture uses the term "farm" to include both ranches and farms.

Data for this region are dominated by new dairy production in Curry County, and cattle operations in Roosevelt County, which increased farm income after 1996.

Land:

- 3,145 ranches and farms. This is a 3% increase over the 3,048 operations counted in 2002.
- The High Plains Region has 15% of New Mexico's ranches and farms.
- 1,116 (36%) of these are 1,000 acres or more. This is the most prevalent farm size.
- 544 (17%) farms are less than 50 acres.
- Average farm or ranch size is 2,680 acres, 130% of New Mexico's average.
- The region has 8.4 million acres of land in ranches and farms.
- This amounts to 19% of the state's farmland.
- The region's farms have 1.3 million acres of cropland, 550,106 acres of which is harvested.
- 747 (24%) farms have a total of 248,016 acres of irrigated land.
- Average value of land and buildings per farm is \$962,994. This is 138% of the state average of \$696,081.

Sales (Note that there may be discrepancies between Ag Census data and Bureau of Economic Analysis data, below):

- \$868 million of crops and livestock sold (2007), 40% of New Mexico's farm commodity sales.
- This is a 26% increase in sales over 2002 sales of \$687 million.
- Total farm production expenses were \$740 million, for an increase of \$136 million (23%) in production costs since 2002.
- The largest expense item for the High Plains region's farms and ranches was feed costs, at \$307 million. Costs for purchasing livestock ranked second, at \$107 million. Labor was the

2009, at www.statecoverage.org/files/2007_SCI_Summer_Meeting_Esquivel.ppt.

³ McGinnis, J.M. & W.H. Foegen (1993). "Actual causes of death in the United States." *JAMA* 270(18):2207-12; and Mokdad, A.H, J.S. Marks, D.F. Stroup, & J.I. Gerberding (2000). "Actual causes of death in the United States." *JAMA* 291(10):1238-45 [with published corrections in *JAMA* (2005), 293(3), 293-294.]

⁴ Heron M., D.L. Hoyert, J. Xu, C. Scott, & B. Tejada (2008). *Deaths: preliminary data for 2006*. National Vital Statistics Report 56:16. http://www.cdc.gov/nchs/data/nvsr/nvsr56/nvsr56_16.pdf.

third largest expense, at \$63 million. Depreciation ranked fourth, totaling \$54 million. Supplies cost \$43 million, fuel and oil \$35 million, and interest expense \$30 million.

- \$131 million of crops were sold (15% of sales), \$40 million (44%) more than in 2002.
- \$737 million of livestock and products were sold (85% of sales). This is \$140 million (23%) more sales than in 2002, by 3% fewer farms. High Plains region livestock sales account for 45% of New Mexico’s livestock sales.
- 1,779 (57%) of the region’s farms sold less than \$10,000 of products in 2007. Their aggregate sales of \$2.2 million amounted to 0.2% of the region’s farm product sales.
- 611 farms (19%) sold more than \$100,000 of products, an aggregate total of \$834 million, 96% of the region’s farm product sales.
- 1,704 farms received \$28 million of federal subsidies in 2007. *[Note that Agriculture Census data differ from Bureau of Economic Analysis data; see below.]*
- 44% (1,386) of region’s farms reported net losses in 2007, after subsidies are taken into account. This is far less than the New Mexico average of 65%.

Principal Products sold in 2007 (*Sales data for many of these products is suppressed by USDA to protect confidentiality):

	\$ millions
Milk & Dairy	436*
Cattle	287*
Corn	38*
Wheat	35*
Forage	25*

Cattle & Dairy:

- 1,441 ranches and farms held an inventory of 602,701 cattle and calves.
- 455,783 cattle worth at least \$287 million were sold from 1,346 ranches and farms in 2007. This represents a 6% decrease in the number of ranches since 2002. Sales totals are lower than actual figures since data from Roosevelt County were suppressed to protect confidentiality.
- An inventory of 144,878 milk cattle was held by 98 farms in the region.
- 95 farms were reported as selling milk or dairy products, 14 (17%) more farms than in 2002.
- Milk and dairy sales totaled at least \$436 million, about \$128 million (42%) more than five years before. Yet these data are incomplete, since sales figures for Curry County were suppressed to protect confidentiality.
- 543 farms produced 357,897 dry tons of forage crops (hay, etc.) on 96,019 acres of cropland, selling well over \$25 million of forage (more precise numbers cannot be compiled because of data suppressions to protect confidentiality, particularly in Quay County).
- In addition, 95 farms produced 756,533 tons of corn silage on 32,675 acres.
- 61 of the region’s farms produced 249,847 tons of sorghum for greenchop on 16,283 acres.

Other livestock & animal products:

- 61 farms sold 815 hogs and pigs for a total of \$77,000. This is six farms less than in 2002, and an increase of \$34,000 (79%) in sales, over the past five years.
- 63 farms held an inventory of 410 hogs and pigs.
- 170 farms sold a total of \$1.2 million of horses. This means the number of farms selling horses fell 17%, while sales fell 10% from \$1.4 million, since 2002.

- Inventory of laying hens was 2,124 on 141 farms.
- 120 farms sold poultry and products in 2007, compared to 30 in 2002. Sales totals for poultry and poultry products are not reliable, due to suppression of data to protect confidentiality.
- 75 farms held an inventory of 4,275 sheep, lambs, and goats; 125 farms sold \$449,000 worth. While the number of farms (110 in 2002) selling these small livestock rose by 14%, sales (\$525,000 in 2002) fell 14%.

Grains, Dry Edible Beans, Oil Crops, and others:

- High Plains region farms sold \$86 million of grains, oil crops and edible beans in 2007.
- 66 of the region’s farms sold \$38 million (6.7 million bushels) of corn on 39,231 acres in 2007.
- 464 of the region’s farmers sold 7 million bushels of wheat, most all winter wheat, on 286,336 acres.
- The region’s wheat crop brought a total of \$35 million.
- 181 farms produced 2.5 million bushels of grain sorghum on 70,259 acres, worth \$11 million.

Nursery, Landscape and Ornamental Crops, & Cotton:

- Sales of ornamental and nursery crops in the region for counties in the region were often suppressed to protect confidentiality. The number of farms raising ornamentals fell from 17 in 2002 to 11 in 2007.
- 40 farms produced 32,841 bales of cotton on 16,237 acres.

Vegetables & Melons (some farmers state that Ag Census data does not fully represent vegetable production):

- Vegetable and potato sales figures for the region were unreliable due to data withheld by the Agriculture Census in 2007 and in 2002 to protect confidentiality.
- At least 31 farms produced vegetables on 3,628 acres of land; there were 41 vegetable farms in 2002.
- One farm raised potatoes.
- 29 farms raised at least 21 million pounds of peanuts on more than 7,859 acres.

Detailed list of vegetables harvested in 2007, as recorded by the Agriculture Census:

Note: (D) means data suppressed by USDA to protect confidentiality; (Z) means less than half of an acre.

Curry County

	Farms	Harvested acres
Beans, Snap	6	(D)
Cantaloupes	1	(D)
Cucumbers & Pickles	1	(D)
Garlic	-	-
Onions, Dry	-	-
Peas, Southern	2	(D)
Peppers, Chile	-	-
Potatoes	-	-

Pumpkins	8	(D)
Spinach	-	-
Squash, all	2	(D)
Squash, Winter	2	(D)
Sweet Corn	1	(D)
Tomatoes in open	1	(D)
Watermelons	-	-

Lea County

	Farms	Harvested acres
Cantaloupes	-	-
Cucumbers & Pickles	-	-
Okra	-	-
Onions, Dry	1	(D)
Peas, Green	-	-
Peppers, Bell	-	-
Peppers, Chile	1	(D)
Pumpkins	-	-
Tomatoes in open	-	-
Watermelons	1	(D)

Quay County

	Farms	Harvested acres
Cantaloupes	-	-
Cucumbers & Pickles	-	-
Peas, Southern	1	(D)
Squash, all	1	(D)
Squash, Summer	1	(D)
Tomatoes in open	1	(D)
Vegetables, other	1	(D)

Roosevelt County

	Farms	Harvested acres
Beans, Snap	-	-
Cantaloupes	5	1
Cucumbers & Pickles	2	(D)
Okra	4	1
Onions, Dry	2	(D)
Peas, Southern	2	(D)
Peppers, Bell	-	-

Peppers, Chile	2	(D)	
Potatoes	1	(D)	
Pumpkins	3	(D)	
Rhubarb	1	(D)	
Squash, all	4	(D)	
Squash, Summer	2	(D)	
Squash, Winter	2	(D)	
Sweet Corn	1	(D)	
Tomatoes in open	3		1
Vegetables, other	1	(D)	
Watermelons	-	-	

Union County

	Farms	Harvested acres
Cantaloupes	-	-
Cucumbers & Pickles	2	(D)
Peppers, Chile	2	(D)
Squash, all	-	-
Sweet Corn	2	(D)

Fruits (some farmers state that Ag Census data does not fully represent fruit production):

- The region had 80 fruit farms with 880 acres of orchards, about the same number of fruit farms as in 2002.
- Sales of fruit and nuts were suppressed in many counties by USDA to protect confidentiality. This makes totaling the value of fruits and nuts sold impossible.

Detailed list of fruit acreage in 2007, as recorded by the Agriculture Census:

Note: (D) means data suppressed by USDA to protect confidentiality; (Z) means less than half of an acre.

Curry County

	Farms	Acres
Apples	8	14
Apricots	1	(D)
Cherries, Sweet	1	(D)
Cherries, Tart	1	(D)
Grapes	1	(D)
Peaches, all	6	(D)
Pears, all	1	(D)
Pecans	6	81
Plums & Prunes	1	(D)

Lea County

	Farms	Acres
Apples	2	(D)
Apricots	2	(D)
Peaches, all	2	(D)
Pears, all	2	(D)
Pecans	38	526
Pistachios	1	(D)

Quay County

	Farms	Acres
Apples	1	(D)
Pecans	9	(D)

Roosevelt County

	Farms	Acres
Apples	6	(D)
Peaches, all	2	(D)
Pecans	13	213

Union County

	Farms	Acres
Apples	1	(D)
Peaches, all	1	(D)
Pears, all	1	(D)

No berry production was recorded by the Agriculture Census in 2007 for the counties in this region

Direct & organic sales:

- 90 ranches and farms sold \$512,000 of food directly to consumers. This is a 4% decrease in the number of farms selling direct (94 in 2002), and a 18% increase in direct sales, from \$435,000 in 2002. Direct sales account for 0.06% of region farm sales, far less than the national average of 0.4%.
- The region's farmers make up 6% of the state's ranches and farms selling direct, and account for 5% of New Mexico's direct sales (\$11.1 million of direct sales in New Mexico in 2007, and \$6.6 million in 2002).
- State of New Mexico records (New Mexico Organic Commodity Commission) show 37 certified organic farms in the region in 2007, farming 42,256 acres. This amounts to 22% of the state's certified organic farms, and 40% of certified organic acreage.

- According to the U.S. Census of Agriculture, 13 farms in the region sold organic foods (\$7.1 million in sales) from 6,311 acres.
- These Census of Agriculture state that the region accounts for 4% of the New Mexico farms selling organic, 63% of the state's organic farm product sales, and 35% of the state's harvested organic acreage.
- Local farm directories list no CSAs in this region. According to the U.S. Census of Agriculture, 12 farms market through community supported agriculture (CSA), 9% of the 139 CSA farms recorded in the state. [*Note: some analysts suggest that CSA counts may be unrealistically high in the 2007 Census*].
- 83 farms produce added-value products on the farm, 10% of New Mexico's farms adding value.

Conservation practices:

- 497 (15% of New Mexico's) farms use rotational management or intensive grazing.
- 448 (21% of New Mexico's) farms use conservation practices.
- 67 (12% of New Mexico's) farms generate some electricity on the farm.
- 100 (3% of New Mexico's) farms draw irrigation water from the Bureau of Reclamation.

State of New Mexico Highlights (Agriculture Census 2007)

- New Mexico has 20,930 farms, 38% more than the 15,170 farms in 2002.
- Nevertheless, the number of acres in farms decreased 4%, to 43 million acres in 2007.
- 8,904 farm operators are Latino.
- 6,611 farm operators are Native American.
- The state has 24,214 White farm operators.
- There are 43 Asian-American, 66 African-American, and 26 Pacific Islander farm operators.
- New Mexico farmers sold \$2.2 billion of crops and livestock in 2007, up 28% from \$1.7 billion in sales five years before.
- This includes \$1.6 billion of livestock, and \$553 million in crops.
- The Agriculture Census lists production expenses as \$1.9 billion for all state farms.
- Government payments to farmers decreased 14%, to \$43 million in 2007 from \$50 million in 2002.
- The most prevalent farm size is 1-9 acres, with 6,400 farms.
- The next most prevalent size is 10-49 acres, with 4,300 farms.
- 3,600 farms are more than 1,000 acres.
- New Mexico ranks 9th in the U.S. for dairy sales, with \$1 billion. This is also the most important farm commodity sold in the state, in terms of sales.
- Second most important product in New Mexico is cattle, with \$576 million in sales.
- The state's farms held an inventory of 1.5 million cattle, down from 1.7 million in 1997.
- The most important single crop raised is forage, with \$139 million sold from 366,000 acres.
- 302,000 acres are devoted to wheat production.
- New Mexico farms sell \$105 million of fruits and nuts, and \$89 million of vegetables.

New Mexico's top 25 farm products in 2007 (Economic Research Service)

See chart on next page

1	Dairy products	1,353.8
2	Cattle and calves	951.8
3	Hay	195.4
4	Pecans	96.2
5	Onions	63.4
6	Greenhouse/nursery	62.4
7	Wheat	38.5
8	Cotton	35.0
9	Peppers, chile	32.9
10	Corn	23.9
11	Potatoes	14.3
12	Sorghum grain	9.9
13	Peanuts	7.0
14	Dry beans	6.1
15	Sheep and lambs	5.4
16	Wool	1.3
17	Apples	1.0
18	Honey	0.5
19	Hogs	0.2
20	Mohair	0.2

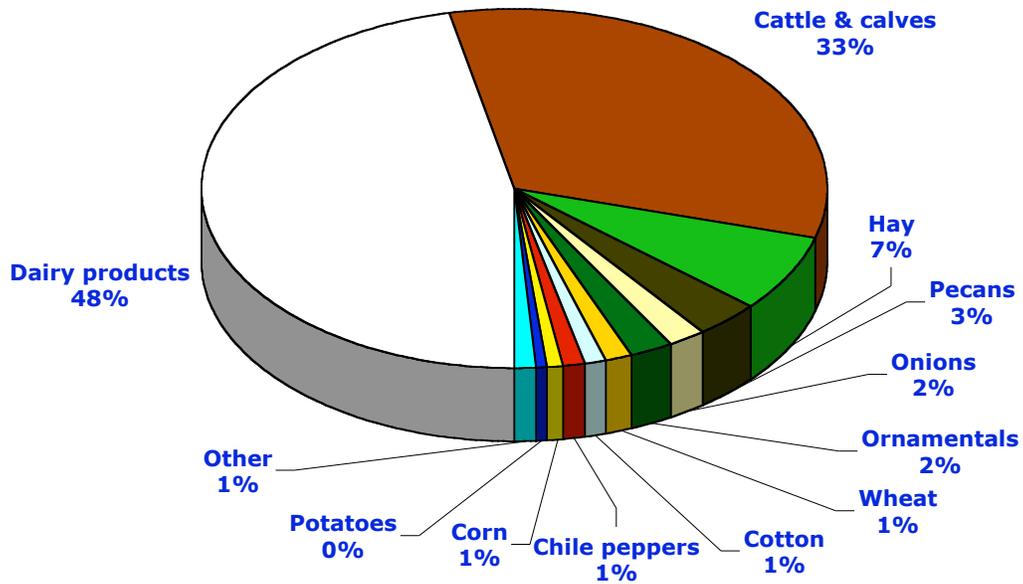
Note: chicken eggs and farm chickens were also listed among New Mexico's top 25 products, but sales figures for these products were not released by ERS.

Note also that at \$11 million, direct sales from farmers to consumers amount to more than the value of the 12th ranking product, sorghum grain.

New Mexico's top 25 farm products in 2007 (Economic Research Service)

See table on previous page

Top 25 commodities sold by New Mexico farms, 2007



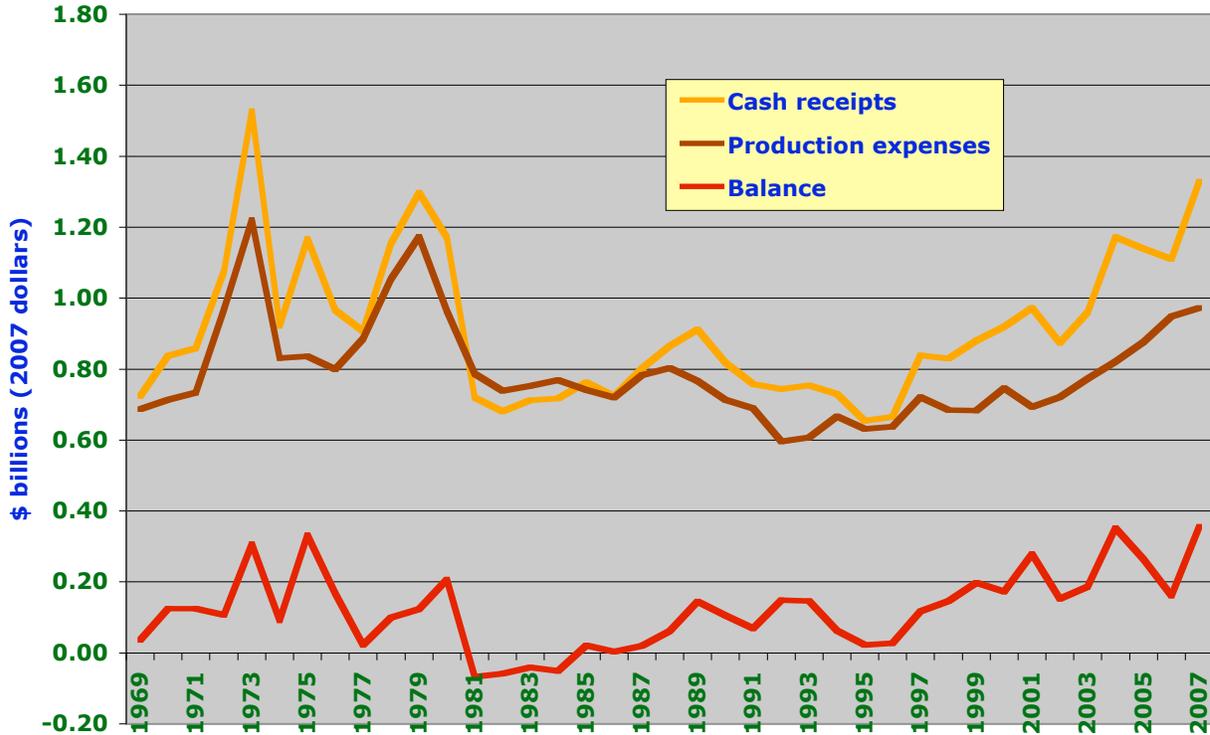
Source: USDA Economic Research

Balance of Cash Receipts and Production Costs (Bureau of Economic Analysis):

Note: Bureau of Economic Analysis farm income data differ from Agriculture Census data.

Trends in this region are dominated by new dairy operations in Curry County, and cattle operations in Roosevelt County.

Farm Production Balance in High Plains & Ogallala region, New Mexico, 1969-2007



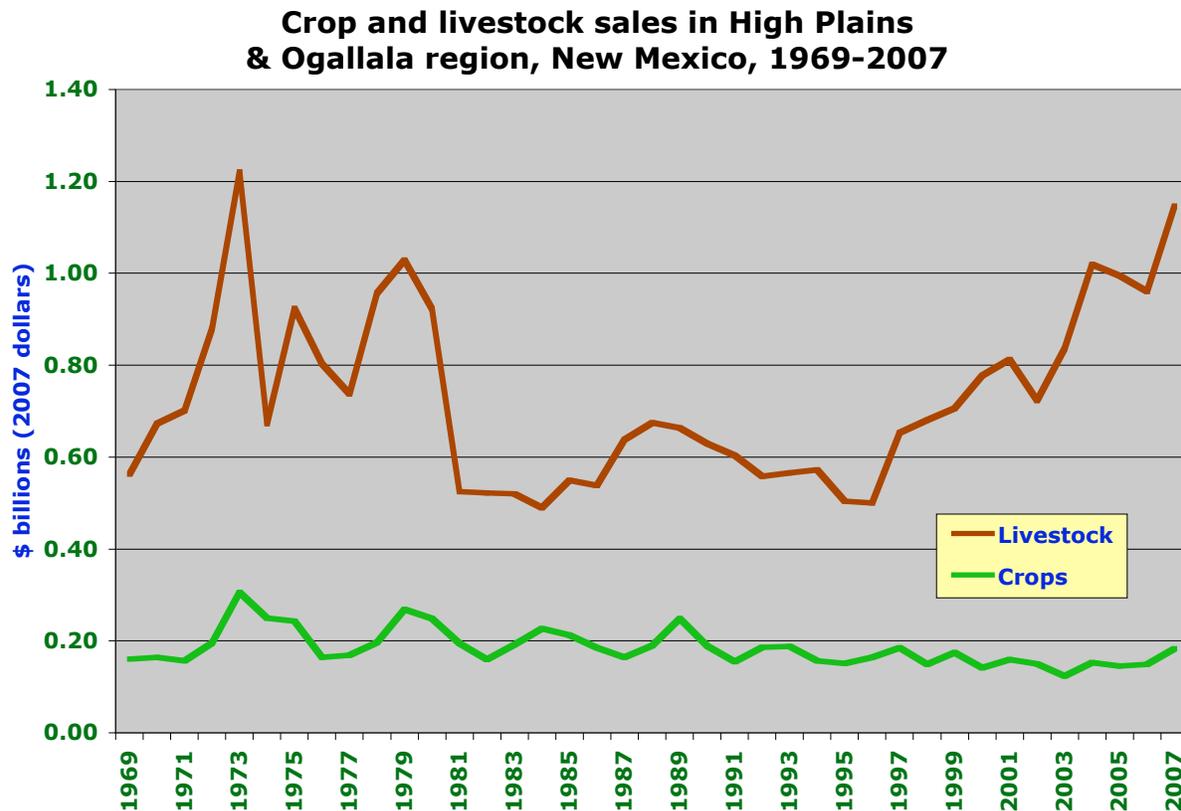
Source: Bureau of Economic Analysis

High Plains Region farmers sell \$892 million of commodities per year (1987-2007 average), spending \$740 million to raise them, for an average gain of \$152 million each year. Although the farm sector as a whole has earned a rising farm production balance since 1987, this is primarily due to dairy and cattle sales in Curry and Roosevelt counties, while other regions have experienced low growth or even decline.

44% of the region's farms and ranches reported a net loss in 2007 (Agriculture Census), after subsidies are taken into account.

High Plains Region farmers and ranchers earned \$319 million more by selling commodities in 2007 than they earned in 1969 (in 2007 dollars). As shown in the chart above, sales of livestock and related products rose steadily from 1996-2007, but are still lower than peak levels of \$1.4 billion in 1973. Crop income stayed quite constant. The most steadily increasing cost of production is feed costs, which more than doubled, from \$107 million to \$277 million, over the years 2001-2007.

Farmers and ranchers earn another \$27 million per year of farm-related income — primarily rental income for land (15-year average for 1987-2007). Federal farm support payments average \$64 million per year for the entire region over the same years.



Source: Bureau of Economic Analysis.

High Plains Region consumers (2007):

High Plains Region consumers spend \$341 million buying food each year, including \$192 million for home use. Most of this food is produced outside the region. \$512,000 of food products (0.06% of farm cash receipts, and 0.2% of local consumer needs) are sold by 90 farms directly to consumers, but not always to High Plains Region consumers, since this includes internet sales.

Estimated change in net assets for all region households was a combined loss of \$180 million in 2007 alone (BLS). This places additional pressure on High Plains Region residents as they pay for food.

Farm and food economy summary:

Farmers gain \$152 million each year producing food commodities, spending \$371 million buying inputs from external suppliers, for a total outflow of \$220 million from the region economy.

Meanwhile, consumers spend more than \$300 million buying food from outside. Thus, total loss to the region is \$520 million of potential wealth *each year*. This loss amounts to nearly 60% of the value of all commodities raised in the region.

High Plains Region: markets for food eaten at home (2007):

Source: Bureau of Labor Statistics

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 42
Fruits & vegetables	35
Cereals and bakery products	24
Dairy products	21
“Other,” incl. sweets, fats, & oils	70

If High Plains Region consumers purchased only 15% of the food they need for home use directly from region farmers, this would produce \$29 million of new farm income in High Plains Region — enough to pay interest on all farm debt for the year.

State of New Mexico: markets for food eaten at home (2007)

Source: Bureau of Labor Statistics

New Mexicans purchase \$5 billion of food per year, \$2.8 billion of this to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 620
Fruits & vegetables	518
Cereals and bakery products	358
Dairy products	315
“Other,” incl. sweets, fats, & oils	1,043

Key data sources:

Bureau of Economic Analysis data on farm production balance

<http://www.bea.doc.gov/bea/regional/reis/>

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey

<http://www.bls.gov/cex/home.htm>

U.S. Census of Agriculture

<http://www.nass.usda.gov/census/>

USDA/Economic Research Service food consumption data:

<http://www.ers.usda.gov/data/foodconsumption/>

USDA/ Economic Research Service farm income data:

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

Centers for Disease Control: Behavior Risk Factors Surveillance System

BRFSS <http://apps.nccd.cdc.gov/brfss-smart/>

National Association of Region and City Health Officials (NACCHO)

Big Cities Health Inventory <http://www.naccho.org/>

For more information:

To see results from *Finding Food in Farm Country* studies in other counties of the U.S.:

<http://www.crcworks.org/locales.html>

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written by Ken Meter and Jon Rosales for the Community Design Center and the Southeast Minnesota Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>

To view a PowerPoint presented in March, 2008, by Ken Meter at Rep. Collin Peterson's (D-MN) Minnesota agricultural forum, called the "Home Grown Economy":

<http://www.crcworks.org/crcppts/petersonKM08.pdf>

To get a brief list of essential food facts, many of which are cited in the presentation above,

<http://www.crcworks.org/foodmarkets.pdf>

To link to further analysis of farm and food economies in the U.S.:

<http://www.crcworks.org/econ.html>

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