

Agriculture's Impact to NM Economy Opportunities for Investment

Investments & Pensions Oversight Committee
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NMDA

NEW MEXICO DEPARTMENT OF AGRICULTURE

NM AGRICULTURE—Industry at a Glance

\$3.2 Billion

New Mexico crop and livestock product sales in 2021 totaled \$3.17 billion. Total cash receipts from livestock products were \$2.41 billion. Value of ag production and processing represented 2.1% of total state GDP.

24,700 Farms

There are 24,700 farms, a 1% decrease from the 2017 census. 95% of all NM farms and ranches are family owned.

Land

Land in farms, 40 million acres. Top crops in acres (Harvested) are: Hay (No. 1 at 225K; Corn, Silage (No. 2 at 80k acres); Wheat, grain (No. 3 at 75k); Pecans (No. 4 at 46K); and, Corn, grain (No. 5 at 39K)

Cattle Country

Cattle and calves totaled 1.3 million head as of January 1, 2023; down 6% from 2021. Beef cow inventory was 2.2% lower than the previous year at 453,000 head. Gross income from cattle and calves totaled \$1.07 billion in 2021, up from the previous year.

Ranking in U.S.

New Mexico's top ag production rankings in the U.S.:

- Chile (No. 1)*
- Pecans (No. 2)*
- Cheese (No. 4)*
- Onions (No. 5)*
- Milk (No. 9)*

Rated second-most favorable industry in the state, according to a survey by The Garrity Group

NEW MEXICO—Farm and ranch sector economic analysis

- Total value of the agriculture sector output from New Mexico totaled \$3.49 billion, up 4% from 2020.
 - The value of livestock production decreased slightly to \$2.32 billion in 2021
 - Crop value was \$704 million, up 18% from 2020.
- Revenues from farm-related income totaled over \$426 million in 2021, up 5% from the previous year.
- After deductions for production expenses, hired labor, and other economic factors, the state's net farm income was down to \$839 million.
- New Mexico farmers and ranchers purchased \$2.06 billion of inputs in 2021 to produce crops and livestock. This was up 6.4% from the previous year.
- New Mexico crop and livestock product sales in 2021 totaled almost \$3.2 billion, a 5% decrease from the previous year.
- Total cash receipts from livestock products in 2021 increased 2% from the previous year to \$2.41 billion. The No. 1 cash commodity for the state was milk, followed by cattle and calves.

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New Mexico Department of Agriculture

2021 NM Ag Statistics

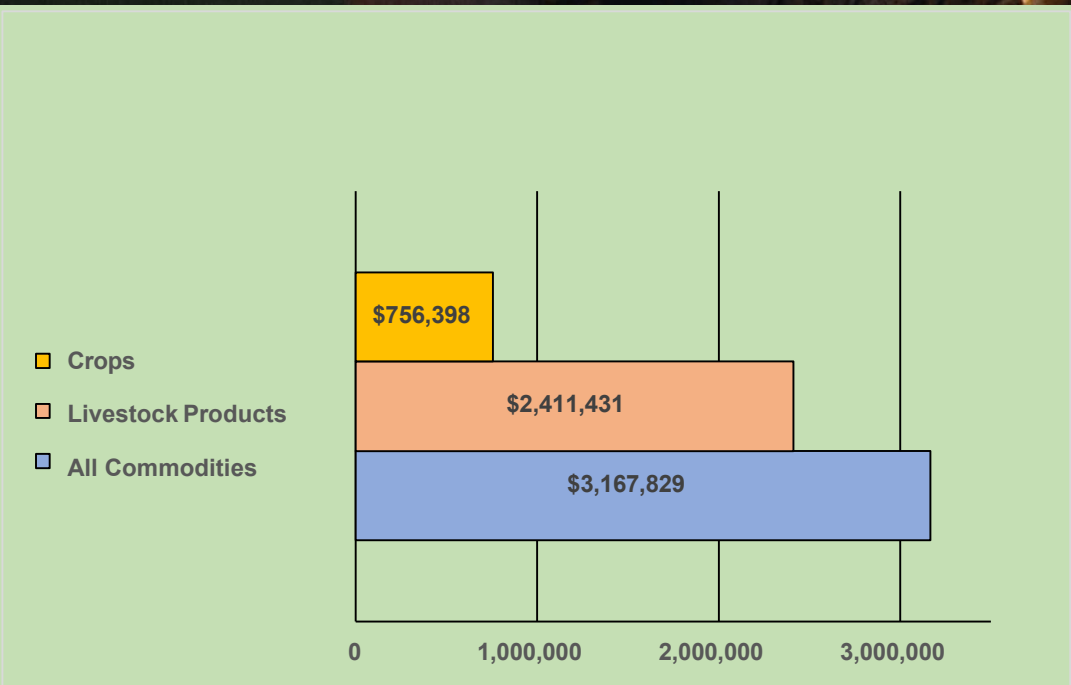
- Collaborative effort between the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) and the New Mexico Department of Agriculture
- Annual publication which highlights the state's agricultural production
- Statewide and county by county data

2021 NEW MEXICO Agricultural Statistics



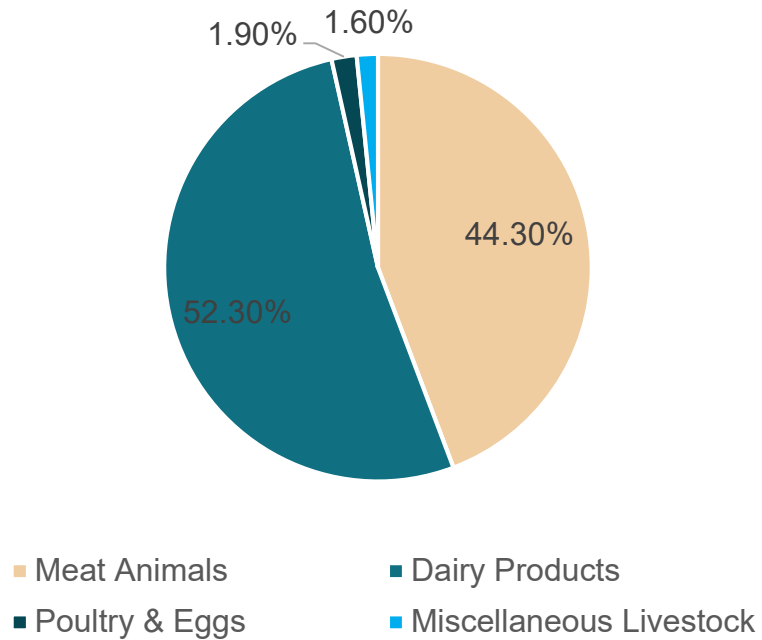
2021 New Mexico Cash Receipts

Cash Receipts for All Commodities New Mexico

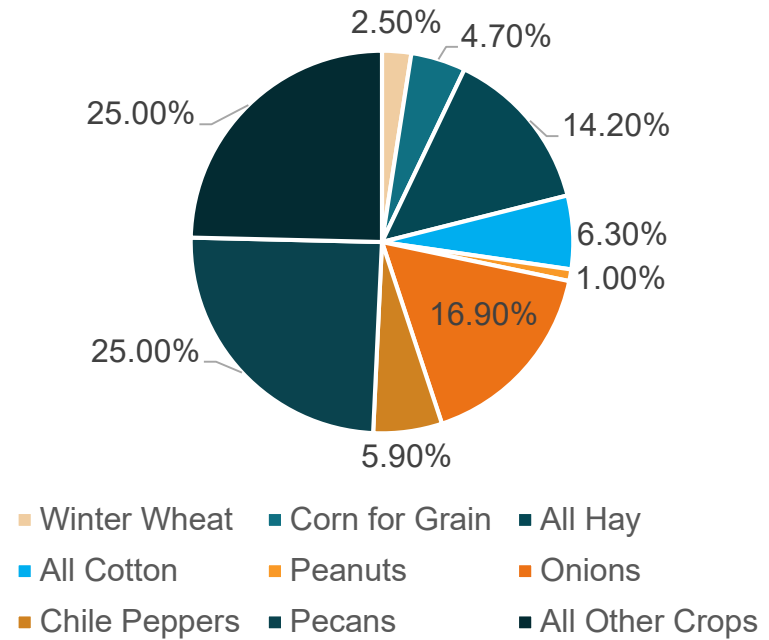


2021 New Mexico Cash Receipts

Livestock Cash Receipts



Crops Cash Receipts



NEW MEXICO ECONOMIC IMPACT



Output \$40.2 Billion



257,697 Jobs



\$11.5 Billion



\$4.1 Billion



Exports

\$495 Million

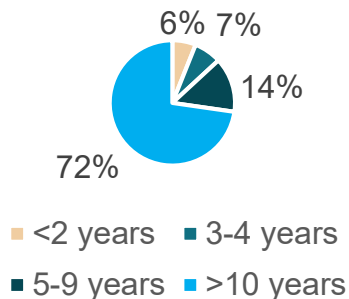
Jobs/Wage/Tax Data Source: feedingtheeconomy.com; Exports Data Source: 2021 NM Ag Statistics

Opportunities for Investment: Challenges

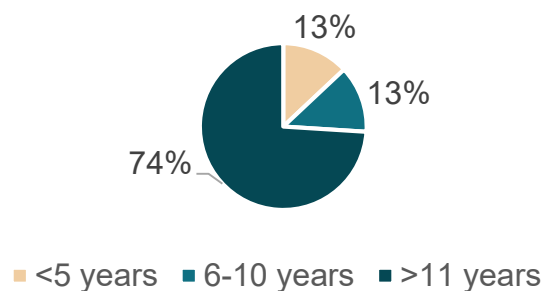
Aging Farm Population

- Average age of NM agriculturist: 59.8
- Average years on the farm 23.6
- Farming population:
 - Over 70% have spent 10+ years on the farm
 - Only 6% have 2 years or fewer on the farm

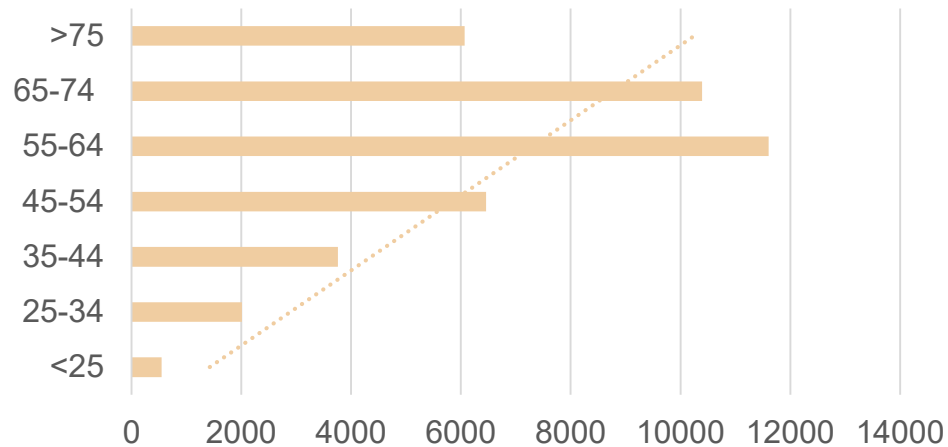
Years on Present Farm



Years Operating Any Farm



Age Groups



Age Groups	<25	25-34	35-44	45-54	55-64	65-74	>75
Age Groups	550	2008	3762	6459	11605	10396	6070

Age Groups

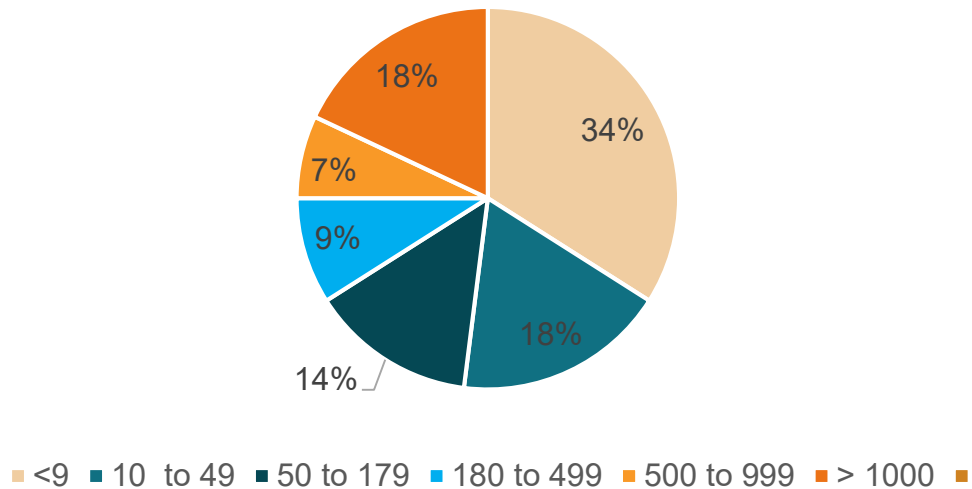
Opportunities for Investment: Challenges

Farm Size

Average farm size is 1,619 acres, but:

- 34% is 1-9 acres
- 18% is 10-49 acres
- 18% is 1,000+ acres

Farm by Size (Acres)

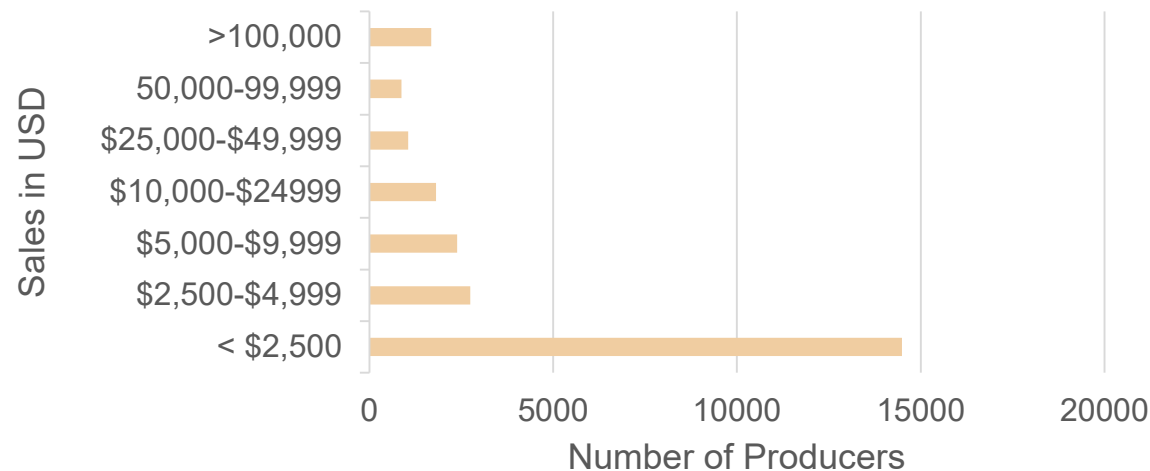


Ability to Make a Living

Agriculture in NM brings in a net cash farm income of \$345,240,000, but, per-farm net cash income is \$13,785

- 58% of those have a value of sales of less than \$2,500
- 11% have a value of sales of \$2,500-\$4,999
- 10% have a value of sales of \$5,000-\$9,999

Farms by Value of Sales



Opportunities for Investment: Challenges

Market Access

60% of NM farms have internet access (2017)

Only 6% of NM farmers sell direct to consumers

International Trade --
Agribusinesses need access to 88 other countries/need to effectively communicate on a global scale.



NEED FOR INVESTMENT IN AGRICULTURE

Estimated market value of land and buildings per farm is \$846,000

Average value of cropland was \$1,790, up 7.8% from 2021

**Agriculture Requires
a Large Capital
Commitment**

Estimated market value of machinery and equipment per farm is \$64,000

Farmers and ranchers purchased \$2.06 Billion in inputs in 2021, up 6.4% from 2020

INVESTMENT IN FARMING AND RURAL COMMUNITIES

Invest in food and crop production, processing and distribution



THANK YOU!

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