



AGRICULTURE: Texas to Avoid Worst of Projected Farm Income Drop

U.S. farm income is expected to plummet 27 percent this year, driven largely by lower cash receipts from crops, according to an initial outlook from the U.S. Department of Agriculture (USDA). But the decline will be less substantial in Texas, where livestock dominates the agriculture sector.

Texas ranks No. 1 in livestock production among the states, and livestock and related products account for two-thirds of Texas' agriculture cash receipts. Those receipts will increase slightly in 2014, the USDA predicts, likely allowing Texas farm income to dodge the steep national decline.

New Mexico will also avoid the bulk of the downturn, as livestock composes 80 percent of that state's agriculture sector. Within the New Mexico livestock segment, dairy production accounts for half. Dairy cash receipts will increase 7 percent in 2014, the USDA forecasts.

Besides the national double-digit decline in crop cash receipts, sharply reduced government payments resulting from the 2014 farm bill also contribute to the anticipated drop in U.S. farm income. The USDA expects a \$5.1 billion decline in government farm payments this year, partly due to the legislation repealing the direct payments program. The law, however, exempts growers of cotton—Texas' primary crop—who will receive direct payments in 2014 at a reduced rate.

—Emily Kerr



MEXICO: New Pipeline May Reduce Reliance on Overseas LNG Imports

Mexico has been importing increasing amounts of liquefied natural gas (LNG) to meet growing demand for natural gas, particularly for power generation. Now, new U.S.-Mexico gas pipelines could help Mexico scale back costly overseas LNG imports.

The majority of Mexico's natural gas imports come via pipeline from the United States, which accounted for about 80 percent of Mexico's overall gas imports in 2012, according to the Energy Information Administration (EIA). About 75 percent of these 2012 imports originated in Texas. LNG imports from countries such as Nigeria, Qatar and Peru fulfilled the remaining imported natural gas needs.

Mexico could reduce these costly, distant imports in favor of cheaper pipelined supplies when the additional capacity from the U.S. comes online later this year. Three cross-border pipeline projects—two from Texas and a third from Arizona—under construction could boost capacity by 2.44 billion cubic feet per day (bcf/d). Pemex, Mexico's state-owned oil and gas company, is adding pipeline capacity from these border crossings to power plants and industrial customers in northern and central Mexico.

Mexico's natural gas consumption totaled 6.6 bcf/d in 2012, up almost 3 percent from 2011, EIA data show. Domestic production, which fell more than 3 percent in 2012, totaled just 4.6 bcf/d.

—Amy Jordan



AIR TRAFFIC: DFW Passenger, Cargo Growth Lags Other Major Airports

Dallas/Fort Worth International Airport grew less than other comparable airports from 2002 to 2012, according to the U.S. Bureau of Transportation Statistics (BTS). The number of enplaned passengers at DFW Airport increased 14.3 percent, compared with an average 18.4 percent among the nation's top 50 airports and 21.2 percent at the busiest airport, Hartsfield-Jackson Atlanta International.

Declining domestic market share at American Airlines may be a factor. Along with its American Eagle affiliate, American accounted for 81 percent of DFW Airport passenger traffic in the year ended in January, BTS data show. American's U.S. market share based on revenue passenger miles—one passenger flown one mile—fell from 20.4 percent in 1992 to 12.9 percent in 2012, a Hofstra University report found.

DFW Airport passenger and cargo traffic remain below peak levels reached in 2000, before 9/11 and the dot-com bust, though the total number of passengers had nearly rebounded by 2013. Particularly large declines in passenger traffic occurred from 2000 to 2002—only Los Angeles International Airport (LAX) experienced a bigger drop among the top five airports for passenger traffic. On the cargo side, DFW Airport volumes in 2013 were 28.8 percent below 2000 levels. The overall air cargo industry stagnated over the period, with growth concentrated at hub airports for major freight carriers such as FedEx and UPS.

—Melissa LoPalo