Extreme Weather Hurts Southwest Agriculture

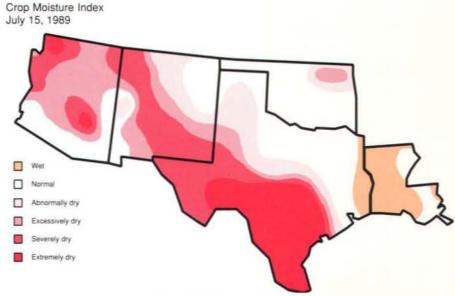
Unfavorable weather conditions have damaged crops across the Southwest. Since January, some areas have received nearly twice their normal rainfall. Other areas have received only about half their normal amount. In some regions, rain came hard and fast, causing more harm than good. Poor weather continues to hamper growing conditions in many areas.

Drought remains a serious concern throughout South Texas (see Map) where farmers and ranchers are experiencing their second year of less-than-normal rainfall. Non-irrigated crops have been damaged, and poor range conditions are forcing ranchers to continue their slaughter of livestock.

New Mexico and Arizona are also suffering from extremely dry conditions. Ranchland remains very dry and crops are requiring increased irrigation.

Despite spring hail and flooding, soil conditions are dry in parts of Oklahoma and the Texas Panhandle. Early in the year, Oklahoma and northern Texas suffered drought damage to wheat and cotton. When rains finally did arrive, heavy thunderstorms caused local flooding and hail damage to crops. Some cotton and soybeans were replanted, but wet soils delayed crop development. Now Northeast Oklahoma and much

of the Texas Panhandle are once again in need of rain. Louisiana experienced



NOTE: The Crop Moisture Index measures soil moisture down to five feet below the surface and is used to monitor current soil moisture conditions.

heavy rainfall as thunderstorms and Tropical Storm Allison moved through the state. Excessive rain caused disappointing wheat and oat harvests and cotton and soybeans are now showing signs of damage. Large tracts of prime farmland remain flooded and more rain is expected.

In the Blacklands between Dallas and Austin, however, growing conditions are now favorable. Wheat and oat crops were damaged by hail and frost earlier this year, but prospects are now good for cattle, cotton, corn and milo.

Weather damage throughout the Southwest will reduce 1989 agricultural production. Although prices remain strong, agricultural incomes will not meet last year's levels. Less than

45 percent of all crop acreage is insured in Texas; and, while disaster assistance may still be forthcoming, it is likely to be less generous than last year.

-Fiona Sigalla

ANNOUNCEMENT

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