Second Quarter 2018

New Mexico’s labor market expanded in the first quarter, while employment levels in Las Cruces inched down. Trade through the port is rising, and the rig count is well above year-ago levels. The Las Cruces metro area posted small population gains in 2017.

Labor Market

Las Cruces Employment Stagnant

While state employment continues to trend up, the Las Cruces jobs level is stagnant (Chart 1).

![Chart 1: Employment Growth](image)

NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector for December 2017-March 2018. Industries are listed from top to bottom by share of total nonfarm employment in the state.


In first quarter 2018, Las Cruces employment inched down at an annualized rate of 0.6 percent, resulting in the loss of 110 jobs. Industry performance is mixed. While many industries are posting declines, job gains were posted in manufacturing, professional and business services, and trade, transportation and utilities.

New Mexico employment grew at a 1.7 percent annualized rate in the first quarter, adding over 3,600 jobs.
Southern New Mexico Unemployment Rate Declines

The Las Cruces unemployment rate was 6.2 percent in March, below the December rate of 6.8 percent (Chart 2).

Meanwhile, the southern New Mexico unemployment rate fell to 5.2 percent in March from 6.0 percent in December. The decrease in the southern New Mexico rate was led by declining unemployment rates in Eddy and Lea counties.

The statewide unemployment rate continues to trend downward, falling to 5.6 in March from 6.0 percent in December.

Santa Teresa Port Trade

Annualized total trade through the Santa Teresa port of entry totaled over $24.7 billion in March, up 0.9 percent from a year earlier (Chart 3). Imports rose 3.2 percent to $13.8 billion year over year in March, while exports fell 1.9 percent to $10.8 billion.
Commodity Markets

Rig Count Still on the Rise
The average price per barrel of West Texas Intermediate crude oil averaged $66.16 in April, up from $51.18 a year ago. Strong energy prices continue to boost the rig count and production (Chart 4). In April, the New Mexico rig count stood at 89, the highest level since early 2015. Meanwhile, crude oil production totaled 88,000 barrels per day in February 2018, up from 542,000 barrels per day in January.

Copper Prices Trend Up, Potash Remains Stable
In addition to oil and natural gas, southern New Mexico's economy is dependent on other commodities, such as potash, copper and silver. According to the New Mexico Energy, Minerals and Natural Resources Department, the state ranked first in domestic potash production in 2015. Potash prices rose sharply during the global recession of 2007, fell sharply in 2009 and dropped even further in 2013 with the end of the potash cartel's agreement. Prices have been stable over the past year and stood at $216 per metric ton as of April 2018, up 3.3 percent from April 2017 (Chart 5). Copper continues to trend up, averaging $6,851.51 per metric ton in April, up 20 percent from a year ago.

Chart 4
Rig Count and Oil Production

Chart 5
Commodity Prices
Population

Las Cruces' population was 215,579 in July 2017 (Chart 6), according to recently released census estimates. The 2017 population estimates are 0.8 percent above the 2016 population and represent the second consecutive year of positive population growth.

![Chart 6 Population Growth](image)

**SOURCE:** Census Bureau.

NOTES: Data may not match previously published numbers due to revisions. All New Mexico counties within the Federal Reserve's Eleventh District are counted as part of southern New Mexico. Las Cruces is excluded from southern New Mexico to better gauge unemployment levels outside the region's largest population center.

**About Southern New Mexico Economic Indicators**

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