In September, Las Cruces' unemployment rate remained unchanged from August at 7.2 percent. The southern New Mexico rate also stalled at 7.3 percent. However, rates in southern New Mexico have a large spread, spanning from 5.3 percent in Curry County to 13.8 percent in Luna County. The state unemployment rate increased to 6.7 percent in September from 6.6 percent in August.

Las Cruces employment increased at a 0.8 percent annualized rate year to date through September, surpassing the state's decline of 0.7 percent over the same period. Gains in Las Cruces were propelled by growth in trade, transportation and utilities, and educational and health services, two of the metro's largest sectors.

Despite the sluggish labor market, home sales in Doña Ana County remain on an upward trend. September home sales totaled an annualized 1,652, up from August's 1,620. Meanwhile, the median home price in the county was $160,840 in September, down from $162,392 in August.
In September 2016, total trade (exports plus imports) totaled approximately $21.2 billion, down 11.6 percent from a year ago. Imports represent about 55 percent of total trade, while exports account for 45 percent. The decline in total trade has been driven by a drop in both imports and exports.

As trade through the port has increased, so have Las Cruces metro-area exports. Recently released data from the International Trade Administration show exports originating in the Las Cruces metro totaled $424 million in 2005 but have grown to $1.6 billion in 2015. Exports from the Las Cruces metro now represent nearly 45 percent of the state’s exports.

West Texas Intermediate (WTI) crude oil prices remain subdued (see www.dallasfed.org/research/energy, Third Quarter 2016, for more information). Due to the decline in price and active rigs, production is on a downward trend. New Mexico crude oil production totaled more than 395,000 barrels in August. The rig count ticked up to 32 active rigs from a low of 15 in March.

In addition to oil and natural gas, Southern New Mexico’s economy is dependent on other commodities such as potash, copper and silver. New Mexico ranked first in domestic potash production in 2012, producing 75 percent of U.S. potash, according to the U.S. Department of the Interior. Potash prices rose sharply during the global recession of 2007 and fell sharply in 2009. Prices fell even further in 2013 when members of a major cartel of potash producers broke their agreement. Potash was priced at $215 per metric ton as of September 2016. New Mexico potash production is concentrated in the Hobbs and Carlsbad–Artesia areas, while copper production is concentrated near the Silver City area. Copper prices have been on a downward trend since early 2011 but have stabilized recently with third quarter prices averaging $4,777.59—showing little change from the second quarter.

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.

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