Unemployment remained high in Las Cruces throughout 2014 and is currently above both the southern New Mexico and New Mexico rates. Las Cruces’ unemployment rate fell from 7 percent in February to 6.9 percent in March, while the southern New Mexico rate fell from 6.2 to 6.1 percent. However, rates in southern New Mexico have a large spread, spanning from 4.4 percent in Carlsbad–Artesia to 17.3 percent in Deming. The state unemployment rate rose to 6.1 percent in March.

Las Cruces employment contracted at a 0.9 percent annual rate in the first quarter. Declines were broad based, with most industries posting cuts. Professional and business services, which accounts for 1 in 10 jobs in Las Cruces, dropped 12.4 percent. Partially offsetting the declines was trade, transportation and utilities, which picked up sharply in the first quarter, likely boosted by strong activity at the Santa Teresa port of entry. Construction and leisure and hospitality also recorded gains.

Home sales and median home prices for Las Cruces have been relatively flat over the past three quarters. This reflects the lack of economic performance in the metro area in recent years. The median home price (six-month moving average) for March 2015 was $151,653, down from $157,786 in March 2014. March home sales (six-month moving average) in Las Cruces stood at an annualized 1,375, up from 1,344 a year earlier.
Over the past decade, the Santa Teresa port of entry has become increasingly important for commerce with Mexico. Truck crossings through the port have risen markedly. In 2004, crossings averaged 2,432 per month, compared with 7,410 in 2014. In February 2015, monthly trade totaled about $21.9 billion, up from $18.7 billion a year earlier. Machinery and transport equipment account for more than 90 percent of all goods passing through the port.

West Texas Intermediate (WTI) crude oil saw an abrupt drop in price during the second half of 2014 and has remained subdued since. In March 2015, WTI averaged $47.78 per barrel, while natural gas averaged $2.80 per million BTU. New Mexico crude oil production peaked at 11.3 million barrels per month in December 2014. The rig count also peaked in December at 102 but has since fallen to 2009 levels, with only 49 active rigs as of March 2015. Hobbs and Carlsbad–Artesia may be particularly affected by the crude oil decline because the bulk of southern New Mexico production takes place in these areas. Unemployment rates for Hobbs and Carlsbad–Artesia have been inching up since hitting bottom in December 2014 and in March stood at 4.8 and 4.4 percent, respectively.

In addition to oil and natural gas, southern New Mexico’s economy is dependent on other commodities such as potash and copper. New Mexico produced 75 percent of U.S. potash in 2012. The price of potash, a salt byproduct used chiefly in fertilizer, rose sharply during the recent recession and fell sharply in 2009. Prices slipped even further in 2013 when potash cartel members in Russia and Belarus broke their agreement. Potash was priced at $305 per metric ton as of March 2015. New Mexico potash production is concentrated in the Hobbs and Carlsbad–Artesia areas, while copper production is concentrated in the Silver City area. Copper prices averaged $5,939.67 per metric ton in March, trending toward the low prices seen in 2008. The unemployment rate for Silver City is 6.3 percent, down from 6.7 percent the previous month.

1 For more information, see the Dallas Fed’s Energy Update at www.dallasfed.org/research/energy.
2 See the U.S. Department of the Interior’s Bureau of Land Management site for details on New Mexico potash at www.blm.gov/nm/st/en/prog/energy/solid_minerals/solid_leaseable_minerals/potash.htm