HAWAII
FIELD OFFICE
NASS

# HAWAII MONTHLY LIVESTOCK REVIEW

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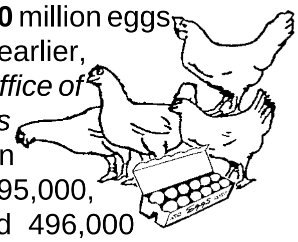
## NOVEMBER EGG PRODUCTION DOWN 7 PERCENT FROM A YEAR AGO



Egg production during November totaled **9.0** million eggs (25,000 cases), 7 percent less than a year earlier, according to the office of the *Hawaii Field Office of USDA's National Agricultural Statistics Service.* The average number of layers on hand during November 2005 was 495,000, compared with 512,000 a year ago and 496,000 during October 2005. The average rate of lay was 1,818 eggs per 100 layers (60.6 percent lay rate) compared with 1,895 (63.2 percent) a year ago. Cumulative production of eggs for the first eleven months of 2005 was 104.4 million eggs, 4 percent below the same period in 2004.

## U.S. EGG PRODUCTION

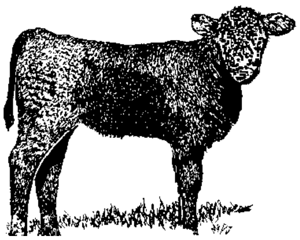
U.S. egg production totaled 7.54 billion during November 2005, up 1 percent from last year. Production included 6.48 billion table eggs, and 1.06 billion hatching eggs, of which 996 million were broiler-type and 60 million were egg-type. The number of layers during November 2005 averaged 347 million, up 1 percent from a year earlier. November egg production per 100 layers was 2,175 eggs, up slightly from November 2004.

All layers in the U.S. on December 1, 2005, totaled 348 million, up 1 percent from a year ago. The 348 million layers consisted of 291 million layers producing table-type eggs, 54.9 million layers producing broiler-type hatching eggs, and 2.61 million layers producing egg-type hatching eggs. Rate of lay per day on December 1, 2005, averaged 72.4 eggs per 100 layers, down 1 percent from December 1, 2004.

### Number of layers and egg production, State of Hawaii, November 2005 [1]

| County | Number of layers on hand during month | | | Eggs per 100 layer | | Total eggs produced | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 2004 | Oct. 2005 | Nov. 2005 | Nov. 2004 | Nov. 2005 | Nov. 2004 | Nov. 2005 | Year-to-date 2004 | Year-to-date 2005 |
| | - - - - - - Thousands - - - - - - | | | - - - Number - - - | | - - - - - - - - - - - Millions - - - - - - - - - - - | | | |
| Hawaii/Kauai/Maui | 125.3 | 100.5 | 100.0 | 1,679 | 1,925 | 2.09 | 1.92 | 25.40 | 22.50 |
| Honolulu | 386.7 | 395.5 | 395.0 | 1,968 | 1,791 | 7.61 | 7.08 | 83.50 | 81.90 |
| State | 512.0 | 496.0 | 495.0 | 1,895 | 1,818 | 9.70 | 9.00 | 108.80 | 104.40 |

[1] State totals may not add due to rounding.



## NOVEMBER MARKETINGS DECLINE 71 PERCENT FROM A YEAR AGO

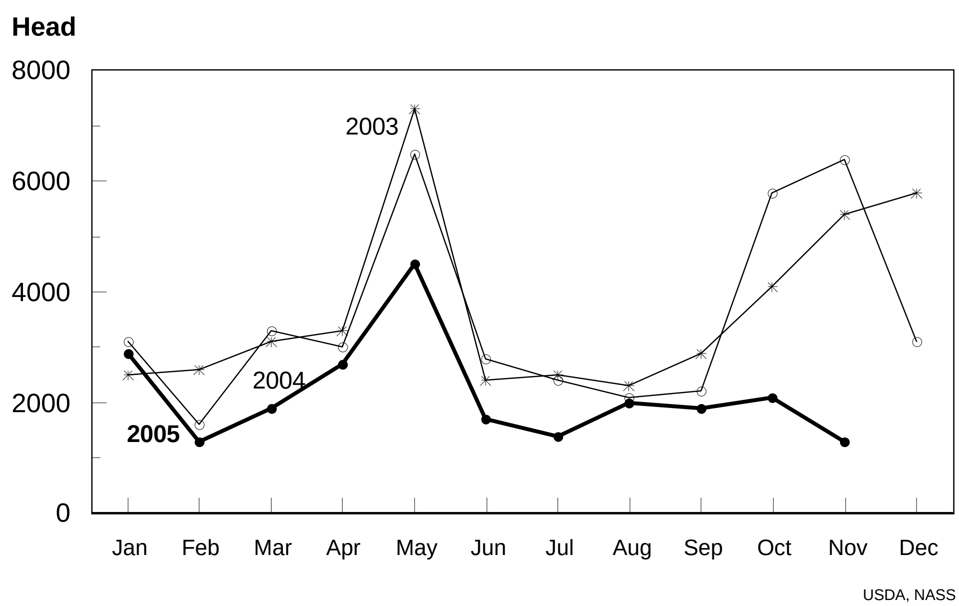
Cattle marketings during November totaled 2,100 head, compared with 7,300 head a year ago and 2,800 head during October 2005. Declines in both out-of-state shipments and local slaughter accounted for the 71 percent drop in marketings. Exports during November 2005 decreased 80 percent from a year ago to 1,300 head. Cumulative marketings for the first eleven months of 2005 was 32,000 head, a decrease of 35 percent from the same period a year earlier. Year-to-date exports for 2005 was 23,700 head, a decline of 40 percent from the same 11-month period in 2004.

Cattle Marketings, State of Hawaii, November 2005

| Month | Total Marketings [1] | | Exports [2] | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of Head [3] | | Number of Head | | | | | | Average Live Weight | |
| | | | Steers | | Heifers | | Total [3] | | | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| | head | | | | | | | | pounds | |
| November | 7,300 | 2,100 | 4,100 | 900 | 2,300 | 400 | 6,400 | 1,300 | 431 | 432 |
| Year-to-date [4] | 48,900 | 32,000 | 23,700 | 12,700 | 15,500 | 11,000 | 39,200 | 23,700 | 443 | 442 |

[1] Sum of Commercial Slaughter and Exports.
[2] Cattle and calves shipped out-of-State.
[3] Total may not add to sum due to rounding.
[4] Includes any revisions made to previous month figures.

## CATTLE & CALF OUTSHIPMENTS
STATE OF HAWAII, 2003-2005

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## COMMERCIAL BEEF PRODUCTION DIPS 5 PERCENT FROM A YEAR AGO

Commercial beef production (local slaughter) during November 2005 totaled 456,000 pounds, compared with 482,000 pounds a year earlier. Commercial kill for November 2005 totaled 800 head, 100 less than a year ago. Average live weight per head, at 1,094 pounds, was 9 percent heavier than a year ago. Cumulative beef production for the first eleven months of 2005 was 13 percent below the same period a year earlier.

### U.S. BEEF PRODUCTION

Beef production, at 2.07 billion pounds, was 7 percent above the previous year. Cattle slaughter totaled 2.67 million head, up 5 percent from November 2004. The average live weight was up 16 pounds from the previous year, at 1,284 pounds.

## PORK PRODUCTION 5 PERCENT LOWER THAN A YEAR AGO

Commercial pork production during November 2005 totaled 338,000 pounds, compared with 354,000 pounds a year ago. Total hog kill of 2,000 head was 300 fewer than a year ago. Average live weight per head, at 225 pounds, was 10 percent heavier than a year ago. Year-to-date pork production for the first 11 months of 2005 was 12 percent less than the same period in 2004.

### U.S. PORK PRODUCTION

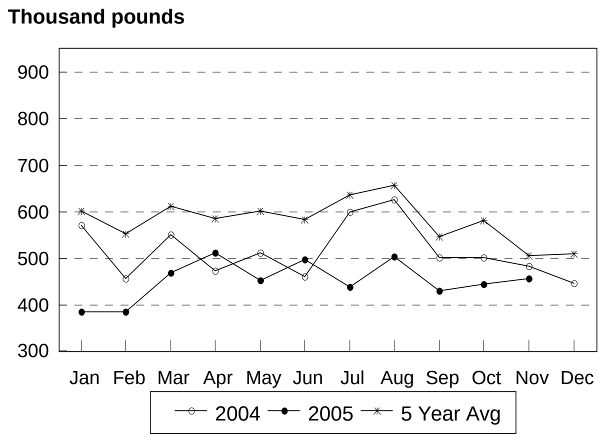
Pork production totaled 1.84 billion pounds, up 2 percent from the previous year. Hog kill totaled 9.13 million head, 2 percent above November 2004. The average live weight was 2 pounds above the previous year, at 272 pounds.

**Commercial slaughter, State of Hawaii, November 2005 [1]**

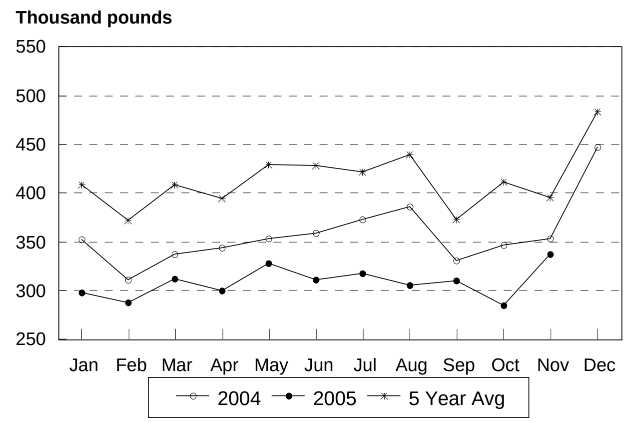
| Species | Number of head | | Average live weight | | Total live weight [2] | | Total dressed weight | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| | | | pounds | | 1,000 pounds | | | |
| Cattle | | | | | | | | |
| November | 900 | 800 | 1,005 | 1,094 | 878 | 830 | 482 | 456 |
| Year-to-date | 9,700 | 8,300 | | | 10,437 | 9,056 | 5,730 | 4,972 |
| Hogs [3] | | | | | | | | |
| November | 2,300 | 2,000 | 205 | 225 | 472 | 451 | 354 | 338 |
| Year-to-date | 25,400 | 21,100 | | | 5,132 | 4,525 | 3,849 | 3,394 |

[1] Excludes non-inspected farm slaughter and live cattle and calves shipped out-of-state; includes custom slaughter.
[2] Estimates based on 54.9 dressing percentage for cattle; 75.0 dressing percentage for hogs.
[3] Excludes non-inspected farm slaughter; includes custom slaughter and live hog inshipments from the mainland for slaughter.

**Commercial Beef Production, State of Hawaii 2005, with comparisons**




**Commercial Pork Production, State of Hawaii 2005, with comparisons**



# PASTURE AND LIVESTOCK CONDITION, DECEMBER 1, 2005

## Hawaii County

**Hilo and Puna:** Although rainfall totals were below normal for November, wet weather during the first half of the month provided sufficient moisture to maintain most pastures were in fair to good condition. Sunny conditions during the second half of the month stimulated both grass growth and weed growth. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

**Ka'u:** Except for a couple of days of heavy showers, mostly dry conditions prevailed for the district. Most pastures were in fair to good condition, with a few in poor condition. Pastures located in the higher elevations faired better than those at the lower elevations. Stock water supplies were adequate. Cattle and calves were in good condition.

**Kona:** Rainfall totals for the Kona area were well below normal levels. The dry weather coupled with colder temperatures rendered most pastures dry and in only fair condition. Most upper elevations pastures were in much better condition than those at the lower elevations or those located in North Kona. Most grazing areas had an adequate supply of forage on hand and an adequate supply of stock water. Cattle and calves were in fair to good condition.

**Kohala:** The delay in the arrival of winter rains has most pastures in the district in variable condition. As a whole, rainfall totals for the month were below 50 percent of normal. However, most pastures were still in fair to good condition, with windward pastures fairing better than leeward pastures. Most lower elevation leeward pastures continued dry and in poor condition. The infestation of the Senecio and Pennisetum weed continue to spread. Cattle and calves were in fair to good condition.

**Hamakua:** Dry conditions, during the last three weeks of the months turned most pastures dry, but pastures were still in fair condition. Prospects for new grass growth also slowed due to the cooler temperatures. Stock water supplies were low, resulting in some water hauling. Cattle and calves were in fair to good condition.

## Honolulu County

Rainfall totals for November were mixed. Above normal rainfall occurred over the eastern portions of windward Oahu, mainly due to heavy evening rains on the last day of the month. Near normal rains fell over the Waianae district, with below normal rainfall occurring elsewhere. Nearly all windward grazing areas were in fair to good condition, with most leeward locations in fair to poor condition. Cattle and calves were in fair to good condition.

## Kauai County

Relatively dry conditions prevailed on Kauai as nearly all rain gages recorded rainfall total below 50 percent of normal. The light precipitation kept most pastures in fair to poor condition. Cattle and calves were in fair to good condition.

## Maui County

Rainfall totals for the county were variable. In general, drier conditions existed during the first half of the month with wetter conditions occurring over the second half of November. Near normal to above normal rainfall fell over the eastern sectors of Maui island and the island of Molokai. Pastures located in these areas were usually in good condition with ample feed. Most leeward areas were drier and in fair condition. Many of the upper elevation pastures received beneficial showers, but were hampered by colder temperatures which retarded grass growth. Cattle and calves were in fair to good condition.

***Rainfall Data Source:*** ***National Weather Service Forecast Office. NWS-NOAA.***

***Disclaimer:*** ***Data from Hydronet state-wide network of automated rain gages. Gages are not certified and rainfall information is provided for informational purposes only.***

# U.S. AGRICULTURAL OUTLOOK

## Cattle/Beef

### Cattle and Beef Markets Steady to Improving

Cattle markets during 2005 have moved significantly in response to changes in market status quo, such as mid-July when live cattle under 30 months of age were again allowed to be imported from Canada. In other instances, despite the apparent significance of events, markets reacted very little. The markets reacted very little to the June 2005 confirmation of the second case of BSE. In part, this lack of response was likely due in part to the time lapse between November 2004 when the cow was initially tested and the June confirmation and the lack of additional cases. Also, consumers and other market participants may have developed a mature perspective regarding the extremely low level of human risk to BSE. Weather conditions in 2005 were generally favorable throughout most of the year, but over the past couple of months soil moisture conditions deteriorated to the point of reducing winter forage prospects, particularly winter wheat pasture.

Cattle and beef markets are gearing up for the winter holiday season and may continue to react to the potential impact of resuming Japanese imports of U.S. beef. Higher fed cattle prices, and favorable cost of gain overriding deteriorating winter forage conditions are reflected in higher feeder calf prices. The 2005/06 winter wheat pasture situation is likely shaping up well below last year's favorable situation and likely also below the 2003/04 conditions with fewer calves being placed on pasture. Feedlots continue to move cattle at relatively high prices as disappointing grading conditions continue. Packer margins hover at or below breakeven levels. Wholesale prices continue well above year-earlier levels, while retail prices remain strong and are about steady to slightly below prices for the same time during 2004.

## Hogs/Pork

### Pork Production Seasonally Higher, Hog Prices Seasonally Lower

In the hogs and pigs "crop year", spring and summer pig crops are typically larger than those of the fall and winter quarters. Milder temperatures are still conducive to larger pig litters and increased weaning rates, even when the animals are housed in fully confined building systems. But with higher spring and summer pig crops come larger slaughters and higher pork production in the fall and winter quarters. With steady demand and increased supplies come lower prices. This year is no exception to this biological/meteorological/ economical rule. The 2005 March-May pig crop, which was 1-percent greater than spring 2004, is currently being slaughtered by U.S. packers. So predictably, fourth-quarter U.S. pork production is seasonally higher, and hog prices are seasonally lower.

Fourth-quarter commercial hog production is expected to be about 5.6 billion pounds, or slightly more than 2 percent larger than a year ago. Compared with fourth-quarter 2004, two additional pounds of dressed weight per carcass, largely from moderate feed costs, are expected to contribute to the fourth quarter production increase in addition to higher seasonal slaughter numbers. Fourth-quarter live equivalent prices of 51-52 percent lean hogs are expected to average between $45 and $46 per cwt, or 16 percent below the fourth quarter of last year, but still above breakeven production costs for most U.S. hog production operations.

## Dairy

### Milk Production Surge Overcomes Demand Growth

Dairy markets in the second half of 2005 developed much as expected. The strong returns of the last 2 years unleashed large increases in milk production that outstripped expansion in dairy demand and eroded milk and dairy product prices. However, the remarkable demand of late 2005 was enough to keep price declines small. For the year, farm milk prices will average less than $1 per cwt below the 2004 record — even though milk production probably has risen almost 4 percent on a daily average basis.

Next year likely will look a lot like 2005. Milk production probably will rise substantially. The year-to-year increase is projected to be significantly smaller--but simply because the comparison is with the strong 2005 output instead of the weak 2004 production. Both domestic and export demand are expected to stay brisk. Farm milk prices are projected to decrease again but to hold near the 2000-05 average.

### Milk Production Still Jumping

Expansion in milk production continues along expected patterns. Milk cow numbers have been pushed higher by farm expansions and the relatively few farm exits, results of the strong returns of the last 2 years. In the 23 major dairy States, October milk cow numbers were up 0.7 percent from a year earlier. Cow numbers have grown almost steadily since February. However, month-to-month increases slowed in late summer-early autumn, reflecting tightness in heifer markets and cooperative efforts to buy out milk cows.

Milk per cow also has been quite strong. The 23-State average jumped about 4 percent from a year earlier during summer, up from the 5-year moving average at an annual rate of more than 2 percent. However, growth has been somewhat erratic and slipped a bit in October. Relative milk and concentrate prices provided ample incentive to push concentrate feeding. The mixture of good and mediocre forage from this year's crop may help to explain the variability in milk per cow expansion.

These general patterns are expected to last through at least the end of 2006. The expected reduction in 2006 returns probably will not be enough to significantly slow farm expansions or boost farm exits. As long as enough replacements can be found, cow numbers are likely to edge higher. Variable forage quality probably will continue to be reflected in milk per cow, but growth likely will be robust. Year-to-year increases probably will drop by next spring as comparisons shift from the weak milk per cow of 2004 to the strong output of most of 2005.

Milk production in the last quarter of 2005 is expected to remain more than 4 percent larger than a year earlier, bringing annual output almost 4 percent higher than 2004 on a daily average basis. The increase in the 2005 total will be the largest in two decades. Milk cows will average fractionally larger than 2004, while the rise in daily average milk per cow will exceed 3 percent. Another fractional rise in milk cows is projected to combine with about a 2-percent jump in milk per cow to boost 2006 milk production almost 3 percent.

The modest growth in 2006 cow numbers is expected to be significantly constrained by tightness in replacement markets and the increasingly ponderous approval process for new or expanded dairy farms. However, the returns of recent years probably provided enough impetus for a significantly faster rise in cow numbers. If new operations can be brought on line faster than expected, increases in milk cow numbers and milk production could be considerably larger than projected, particularly during the second half.

### Strong Replacement Demand Boosts Heifer Prices

Dairy replacement prices were a record $1,870 in October, up more than $200 from 1 year earlier and almost $500 from 2 years earlier. The difference between replacement and slaughter values was about $1,200, also a record. These high prices imply heifer availability is, and will continue, to constrain growth in cow numbers.

Demand for heifers is responsible for the price increases. Even without imports from Canada, 2005 heifer supplies have been larger than 2004 and at least as large as 2003. The brisk demand represents continued farm expansion stimulus resulting from strong 2004 and 2005 returns. Expected modest declines in 2006 milk prices are unlikely to dampen expansion pressures significantly.

Growth in heifer supplies is likely to fall short of demand, as the lagged effects of high 2004 replacement prices is expected to generate only slight inventory growth in 2006. Autumn replacement calf prices have reached levels over $600, implying heifer raisers hold optimistic views of future heifer demand. Pressure on replacement heifer prices likely will ease only when milk prices decline enough to accelerate farm exits, opening up another source of replacements.

## Eggs

### U.S. Egg Prices Rebound in the Third Quarter

Wholesale table egg prices (NY grade A large) in the third quarter of 2005 averaged 66.6 cents a dozen, 19 percent higher than the 55.9 cents a dozen reported in the second quarter. For all of 2005, wholesale table egg prices (NY grade A large) are expected to average 64.6 cents per dozen, substantially less than last year's close of 82.2 cents per dozen. For 2006, wholesale egg prices are expected to average between 63 and 68 cents per dozen.

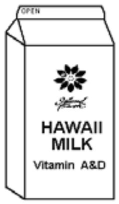
Retail egg prices averaged $1.20 cents per dozen in the third quarter, 3.4 percent higher than the second quarter. But for all of 2005, retail egg prices are expected to average in the low $1.20s per dozen, a price much lower than the 2004 record high of $1.34 per dozen. Retail egg prices in 2006 are forecast to be about unchanged from 2005.

During the third quarter of 2005, the total number of U.S. table egg layers declined by a total of 1.2 million birds, compared with the second quarter. However, the monthly average eggs produced per 100 layers rose from 2,231 to 2,267 over the same period. Consequently, U.S. table egg production increased from 1,580 million dozen in the second quarter to 1,603 million dozen in the third quarter.

Total U.S. egg production in 2005, table and hatching, is expected to rise to 7.5 billion dozen, less than 1 percent over 2004. Table eggs are expected to account for about 85 percent of total production in 2005, and likely will stay at this same percentage in 2006. Hatching egg production in 2005 is expected to rise by a little over 1 percent, reflecting higher egg and broiler production.

***Full text of stories covered above can be found at:***
***Source:*** ***Livestock, Dairy, and Poultry Outlook, December 16, 2005, Economic Research Service, United States Department of Agriculture.***
***Internet web site: http://www.ers.usda.gov/publications/ldp/***

# NOVEMBER MILK LOWER

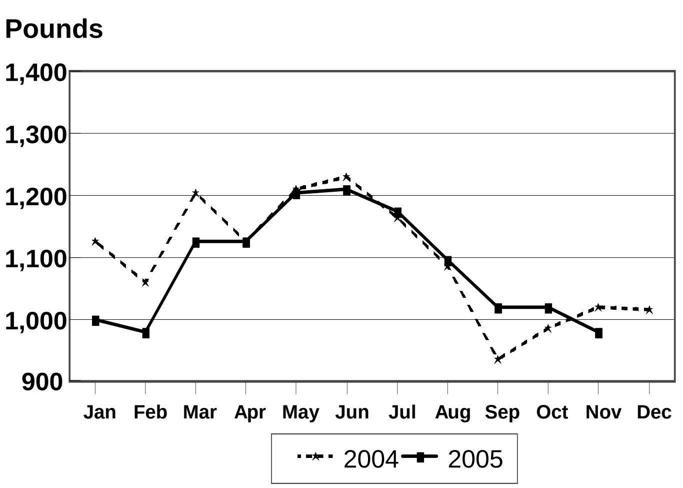



In November, Hawaii's dairy cows produced 5.0 million pounds of milk compared with 5.8 million pounds during November last year and 5.3 million pounds during October this year. The dairy herd consisting of dry and milking cows numbered 5,100 head, falling 600 head from November 2004 and down 100 head from October 2005. The average output for cows was 980 pounds for October, decreasing 40 pounds from November 2004 and October 2005. Production for the first eleven months of 2005 totaled 64.4 million pounds, falling 14 percent from the comparable period in 2004.

## U.S. MILK PRODUCTION

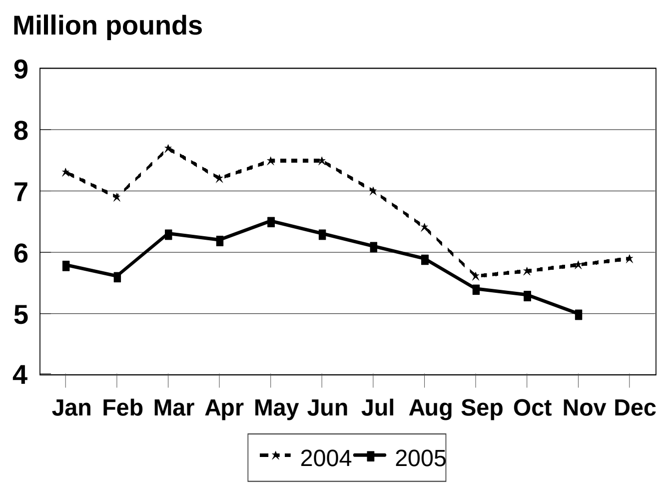
Milk production in the 23 major States during November totaled 13.0 billion pounds, up 4.6 percent from November 2004. October revised production, at 13.3 billion pounds, was up 4.0 percent from October 2004. The October revision represented a decrease of 17 million pounds from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,590 pounds for November, 59 pounds above November 2004. The number of milk cows on farms in the 23 major States was 8.16 million head, 60,000 head more than November 2004, and 2,000 head more than October 2005.

## Milk Production Per Cow, State of Hawaii, 2004-2005




USDA, NASS

## Total Milk Production, State of Hawaii, 2004-2005




USDA, NASS

Milk cows and milk production, State of Hawaii, November 2005

| County | All milk cows [1][2] | | | Milk per cow [2] | | Milk production [2] | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 2004 | Oct. 2005 | Nov. 2005 | Nov. 2004 | Nov. 2005 | Nov. 2004 | Nov. 2005 | Year-to-date 2004 | Year-to-date 2005 |
| | - - - - - - Number - - - - - - | | | - - - Pounds - - - | | - - - - - - - - - - 1,000 pounds - - - - - - - - - - | | | |
| State | 5,700 | 5,200 | 5,100 | 1,020 | 980 | 5,800 | 5,000 | 74,600 | 64,400 |

[1] Includes dry cows and cows on non-commercial dairy farms.
[2] Figures for 2005 are preliminary.

## Average farm prices, State of Hawaii, November 2005

| Commodity | | November 2004 | October 2005 | November 2005 |
|---|---|---|---|---|
| | | - - - - - - - - - - - - cents per pound - - - - - - - - - - - - | | |
| **Range steers and heifers** [1] | *- dressed weight* | 89.0 | 92.0 | 93.0 |
| | *- (live weight equivalent)* | (48.9) | (50.5) | (51.1) |
| **Cows** [1] | *- dressed weight* | 51.0 | 52.0 | 51.0 |
| | *- (live weight equivalent)* | (28.0) | (28.5) | (28.0) |
| **Market hogs** [1 2] | *- dressed weight* | 120.5 | 117.0 | 116.0 |
| | *- (live weight equivalent)* | (90.4) | (87.8) | (87.0) |
| | | - - - - - - - - - - dollars per 100 pounds - - - - - - - - - - | | |
| **Milk** [3] | | 25.10 | 26.60 | 26.80 |
| | | - - - - - - - - - - - - cents per dozen - - - - - - - - - - - - | | |
| **Eggs** [4] | | 100.0 | 84.0 | 84.0 |

[1]Equivalent delivered slaughterhouse for sales on island of production and delivered shippers dock for off-island sales.   Factors of 0.549 and 0.75 used to convert dressed weight prices to live weight equivalent for cattle and hogs, respectively.
[2] Includes roasters.
[3] Beginning 1999, monthly average price rounded to the nearest dime.
[4] Prices are for all eggs, equivalent delivered processing plant.   Preliminary prices are based on processor reports from Hawaii, Kauai, Maui and adjusted Market Analysis & News Branch wholesale prices for Oahu.   Final prices are based on processor reports from all islands.