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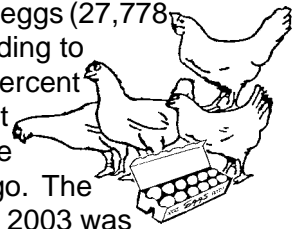
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MARCH EGG PRODUCTION 3 PERCENT BELOW A YEAR AGO

Egg production during March, totaled **10.0** million eggs (27,778 cases), 3 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 2 percent increase in the average rate of lay was not enough to offset the 4 percent decline in the average number of layers on hand from a year ago. The average number of layers on hand during March 2003 was 519,000, compared with 543,000 a year ago, and 509,000 during February. The average rate of lay was 1,927 eggs per 100 layers (62.2 percent lay rate) compared with 1,897 (61.2 percent) a year ago. Cumulative egg production for the first quarter of 2003 was fractionally below the same 3-month period in 2002.



U.S. EGG PRODUCTION

U.S. egg production totaled 7.36 billion during March 2003, down 1 percent from last year. Production included 6.26 billion table eggs and 1.11 billion hatching eggs, of which 1.04 billion were broiler-type and 64.0 million were egg-type. The total number of layers during March 2003 averaged 338 million, up slightly from a year earlier. March egg production per 100 layers was 2,181 eggs, down 1 percent from March 2002.

March 2003 contained 21 weekdays, and five Saturdays, the same as March 2002.

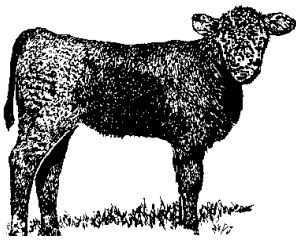
All layers in the U.S. on April 1, 2003, totaled 338 million, up slightly from a year ago. The 338 million layers consisted of 278 million layers producing table or commercial type eggs, 57.3 million layers producing broiler-type hatching eggs, and 2.63 million layers producing egg-type hatching eggs. Rate of lay per day on April 1, 2003, averaged 70.8 eggs per 100 layers, down slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.87 billion eggs during March 2003, down 1 percent from a year ago. The average number of layers during March, at 315 million, was down slightly from a year ago.

Number of layers and egg production, State of Hawaii, March 2003 ¹

| County | Number of layers on hand during month | | | Eggs per 100 layer | | Total eggs produced | | | |
|-------------------|---------------------------------------|-----------|-----------|--------------------|-----------|---------------------|-----------|--------------|------|
| | Mar. 2002 | Feb. 2003 | Mar. 2003 | Mar. 2002 | Mar. 2003 | Mar. 2002 | Mar. 2003 | Year-to-date | |
| | Thousands | | | Number | | Millions | | | |
| Hawaii/Kauai/Maui | 122 | 116 | 121 | 2,031 | 1,996 | 2.5 | 2.4 | 7.5 | 7.2 |
| Honolulu | 421 | 392 | 398 | 1,851 | 1,919 | 7.8 | 7.6 | 21.8 | 21.9 |
| State | 543 | 509 | 519 | 1,897 | 1,927 | 10.3 | 10.0 | 29.3 | 29.2 |

¹ State totals may not add due to rounding.



MARCH MARKETINGS OFF 15 PERCENT FROM A YEAR AGO

Cattle marketings during March totaled 3,500 head, compared with 4,100 head a year ago and 3,600 head during February 2003. Declines in both out-of-state shipments and local slaughter accounted for the 15 percent drop in marketings when compared with a year earlier. Year-to-date marketings of 10,200 head were 10 percent below the same 3-month period in 2002. The number of cattle and calves shipped out-of-State during March totaled 2,700 head compared with 3,100 a year earlier and 2,600 during February. Cumulative out-of-state shipments during 2003 totaled 7,600 head, 10 percent less than the same period in 2002

a year earlier and 2,600 during February. Cumulative out-of-state shipments during 2003 totaled 7,600 head, 10 percent less than the same period in 2002

Cattle Marketings, State of Hawaii, March 2003

| Month | Total Marketings ¹ | | Exports ² | | | | | | | |
|---------------------------|-------------------------------|--------|----------------------|-------|---------|-------|--------------------|-------|---------------------|------|
| | Number of Head ³ | | Number of Head | | | | | | Average Live Weight | |
| | | | Steers | | Heifers | | Total ³ | | | |
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| March | 4,100 | 3,500 | 1,900 | 1,700 | 1,200 | 1,000 | 3,100 | 2,700 | 460 | 430 |
| Year-to-date ⁴ | 11,300 | 10,200 | 4,800 | 4,300 | 3,600 | 3,300 | 8,400 | 7,600 | 460 | 450 |

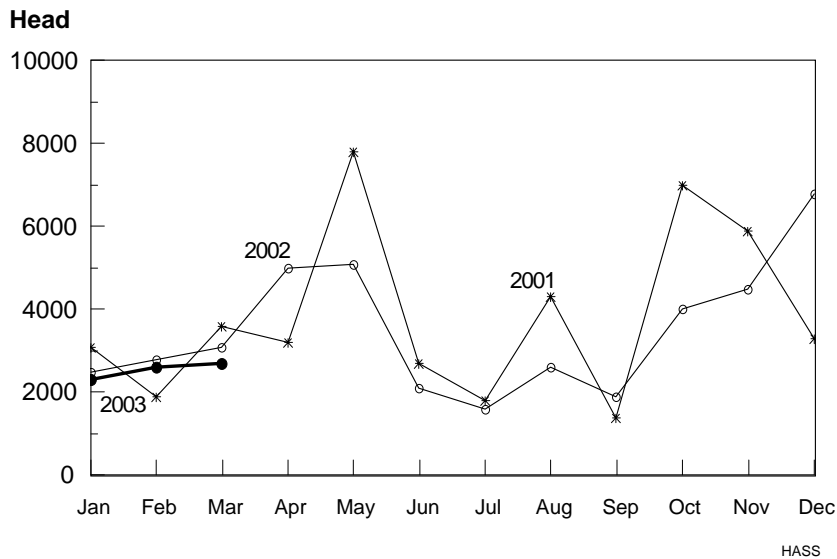
¹ Sum of Commercial Slaughter and Exports.

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, 2001-2003



SLAUGHTER CATTLE (U.S.)

Weekly Simple Average of Daily Quotations, Choice 2-4

Dollars per 100 pounds

| Week ending | Steers | Heifers |
|------------------|------------------------|------------------------|
| | (1,100 - 1,300 pounds) | (1,000 - 1,200 pounds) |
| from California | | |
| 2-22-03 | — | — |
| 3-8-03 | — | — |
| from Sioux Falls | | |
| 2-22-03 | 75.00 | 75.00 |
| 3-8-03 | 75.50 | 75.00 |

Source: Livestock, Meat and Wool Weekly Summary and Statistics; **Agricultural Marketing Service, Livestock and Seed Division**

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Contributing by County

| | |
|----------------|-----------------|
| Robert Miyake | Hawaii |
| Naomi Landgraf | Maui |
| June Okamura | Kauai, Honolulu |
| Wendell Au | Honolulu |

COMMERCIAL BEEF PRODUCTION 14 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during March 2003 totaled 485,000 pounds, compared with 565,000 pounds a year earlier. Commercial kill for March 2003 totaled 800 head, 200 fewer than a year ago. Average live weight per head, at 1,059 pounds, was 4 pounds lighter than a year ago. Cumulative production for the first quarter of 2003 was 1.5 million pounds, 9 percent less than the same period in 2002.

U.S. BEEF PRODUCTION

Beef production, at 2.05 billion pounds, was 1 percent below the previous year. Cattle slaughter totaled 2.77 million head, up 1 percent from March 2002. The average live weight was 1,234 pounds, down 7 pounds from March a year ago.

PORK PRODUCTION DOWN 9 PERCENT FROM A YEAR AGO

Commercial pork production during March 2003 totaled 384,000 pounds, compared with 423,000 pounds a year ago. Total hog kill of 2,300 head was 300 less than a year ago. Average live weight per head, at 218 pounds, was 1 pound heavier than a year ago. Year-to-date production for the first 3 months of 2003 was 1.1 million pounds, 8 percent less than the same period in 2002.

Pork production totaled 1.62 billion pounds, up 2 percent from the previous year. Hog kill totaled 8.15 million head, 2 percent above March 2002. The average live weight was 268 pounds, up 1 pound from March a year ago.

U.S. PORK PRODUCTION

Commercial slaughter, State of Hawaii, March 2003 ¹

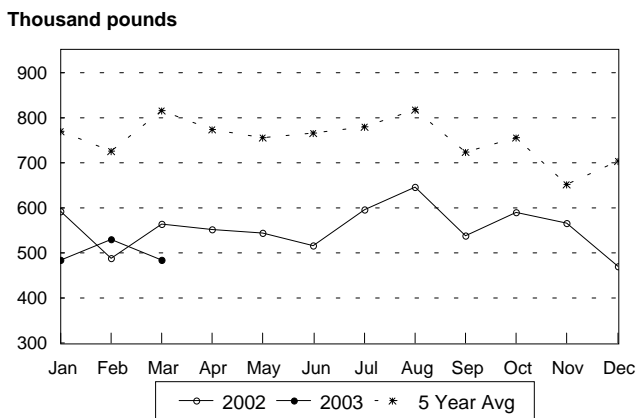
| Species | Number of head | | Average live weight | | Total live weight ² | | Total dressed weight | |
|--------------------------|----------------|-------|---------------------|-------|--------------------------------|-------|----------------------|-------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| | | | ----- pounds ----- | | ----- 1,000 pounds ----- | | | |
| Cattle | | | | | | | | |
| March | 1,000 | 800 | 1,063 | 1,059 | 1,029 | 884 | 565 | 485 |
| Year-to-date | 2,900 | 2,600 | | | 2,996 | 2,732 | 1,645 | 1,500 |
| Hogs ³ | | | | | | | | |
| March | 2,600 | 2,300 | 217 | 218 | 564 | 512 | 423 | 384 |
| Year-to-date | 7,800 | 7,200 | | | 1,638 | 1,505 | 1,229 | 1,129 |

¹ Excludes non-inspected farm slaughter and live cattle and calves shipped out-of-state; includes custom slaughter.

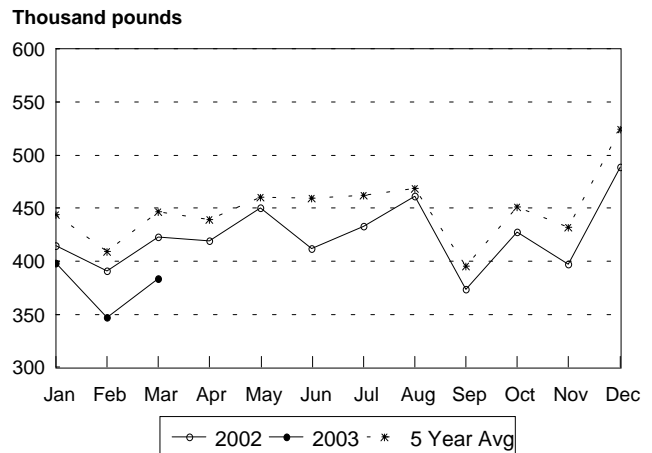
² Estimates based on 54.9 dressing percentage for cattle; 75.0 dressing percentage for hogs.

³ Excludes non-inspected farm slaughter; includes custom slaughter and live hog inshipments from the mainland for slaughter.

Commercial Beef Production, State of Hawaii 2003, with comparisons



Commercial Pork Production, State of Hawaii 2003, with comparisons



PASTURE AND LIVESTOCK CONDITION, APRIL 1, 2003



Hawaii County

Hilo and Puna:

During March, the island of Hawaii was the driest county in the State, with the Hilo, Puna area (normally a very wet district) becoming

the driest in the State for the second time this year. This time it holds the honor with respect to the percentage of rainfall to normal, under 20 percent of normal, when compared to the last time when it was based on both the amount of rainfall as well as the percentage. The lack of precipitation has resulted in low soil moisture levels, dried pastures, and slowed grass growth. Still, because of the previous month's beneficial rainfall, many pastures were still in fair to good condition. But many upper elevation Mauna Kea pastures were in dire situation because of the lack of moisture. Stock water levels were low necessitating water hauling or movement of cattle to areas with available water supplies. Cattle and calves were in fair to good condition, with supplemental feeding taking place.

Ka'u: Conditions were generally hot and dry in the district. Shower activities were light and scattered, leaving most pastures in fair to poor condition with only old and dry forage available. Water hauling and supplemental feeding were necessary to maintain the livestock. Most of the cattle and calves were in fair condition.

Kona: Very dry conditions continued from the previous month into March. Shower activities were very light and intermittent. The continued dry conditions kept most pastures dry with only old feed available, with the lower coastal pastures in the worst condition. Pastures were in fair to poor condition. Both soil moisture levels and stock water levels were low. Cattle and calves were in fair condition with the feeding of supplements.

Kohala: Rainfall was generally light for the month, but the heavy rains during the latter half of February provide for some good carry over moisture to help maintain many pastures in fair to good condition. The lack of the normal trade wind weather rainfall, however, produced rainfall in some areas that would normally have been dry. Forage growth was slow, but nonetheless growing in some of these pastures which were previously dry. Lower elevation leeward coastal pastures around Kawaihae and Mahukona, however, still continued dry and provided very little old feed. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Hamakua: The lack of trade wind showers left most pastures dry. Some moderate rainfall toward the end of the month helped lower elevation pastures, but more rainfall was needed to maintain conditions in the fair to good range. Pastures located at the higher elevations were dry with low soil moisture levels and little new grass growth. Water hauling was necessary as stock water supplies were diminishing. Cattle and calves were in fair condition, with some supplemental feeding.

Honolulu County

In general, rainfall for the month was below normal. The exception would be in Waimanalo and the Waianae District which received heavy rains at month's end, because of a 'kona low'. This pushed the rainfall totals for those areas to above normal for the month. Most windward pastures nonetheless still received enough moisture to keep most pastures in fair to good condition. Leeward pastures continue to be dry, but hopefully the moisture it received at the end of the month will stimulate new grass growth and improve pasture condition beyond the fair condition it presently is in. Cattle and calves were in fair to good condition.

Kauai County

The lack of trade wind weather, during March, limited rainfall totals along the northern portion of the island to below normal levels. However, the very absence of the trade winds helped with the generation of multiple weather events from the south and west, which produced heavy rains along the normally dry western and southern portions. Some of the heavy rainfall overflowed onto the eastern portion of the island providing those areas with near or above normal amounts of rainfall. Although drying out northern pastures were in fair to good condition. Leeward pastures benefitted the most with the increase in soil moisture and new grass growth. Cool temperatures hampered growth in some areas earlier in the month, but warmer condition helped to stimulate growth during the latter half of the month. Cattle and calves were in fair to good condition.

Maui County

Except for the Kahakuloa area, rainfall totals in the county were generally well below normal. Windward locations received sporadic, but timely rainfall amounts to maintain most pastures in fair to good condition. Leeward grazing areas benefitted from a few weather events from the south to help maintain pastures in fair condition. Cattle and calves were in fair to good condition, with limited supplements being fed.

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

2002 Perspective S Drought Resulted in Record Beef Supplies, Lower Prices

Drought conditions expanded in 2002 and marked the fourth consecutive year of dry conditions for many cattle producers. Many producers have had to contend with drought to some extent during 1999-2002. Grazing conditions deteriorated and forage supplies became increasingly dear for many producers. The industry entered 2003 with continued drought conditions through the winter in parts of the country and the eighth year of herd reductions.

Feed Costs Remain Favorable, Forage Supplies Decline

Weather in most of the country was unusually mild in 2002, but below-average precipitation led to worsening drought conditions for much of the country. Timely rains in July and August prevented the drought from becoming more widespread in the Corn Belt. Moisture conditions the Southern Plains improved in 2002 and conditions in the East Coast improved late in the year. However, drought conditions remained well entrenched in the Northern Plains and Western States throughout 2002.

Corn prices remained below year-earlier levels for much of 2002, but prices began to rise as drought conditions reduced yields. Total feed grain production fell by more than 4 percent, the second year of declining production. The farm price of corn in 2001/02 remained under \$2 a bushel, averaging \$1.97, up from \$1.85 in 2000/01. Prices moved above a year earlier in late summer and fall. Although grain prices remained relatively supportive for livestock producers, grazing/forage conditions continued to deteriorate for much of the year.

Grazing conditions were relatively poor in most areas in 2002, although conditions in the Southern Plains were much improved. Similarly, hay production declined 4 percent from 2001 to the smallest harvest since 1996. Hay disappearance in the May/November period was up sharply reflecting the dry spring and summer conditions limiting pasture and extending the hay feeding period in the Northern and Central Great Plains, Southeast, and much of the West. Hay stocks on December 1 were down 6 percent from a year earlier. Forage conditions improved in the Southeast in early fall and remained good in the Southern Plains with the best fall small grain grazing conditions in several years. Rebuilding grazing conditions and hay stocks will be paramount to slowing the rate of herd reduction in 2003.

Herd Decline Continues

Cattle inventories continued to decline, but the rate of

decline has been relatively moderate over the past two years. Periodic drought in some areas and continued drought in others has limited the industry's forage resources, forcing cow slaughter to remain relatively high. Consequently, the industry has had difficulty stabilizing, much less beginning to expand. Cattle and calves on January 1, 2003, totaled 96.1 million head, down less than 1 percent from a year earlier, but down over 7 percent from the 1996 cyclical peak of 103.5 million head. 2002 marked the seventh year of herd liquidation in this cycle, which began in 1990 at 95.8 million head. The present high cow slaughter and continued drought in many areas will almost certainly extend even the beginning stages of expansion beyond 2003. Forage supplies remain very tight and water supplies for livestock are uncertain in many regions. Rebuilding the forage base, and for many producers the financial base, even with stronger cattle prices, is likely to be slow.

Feeder Cattle Supplies Tighten, On-Feed Inventories Down

Cattle-on-feed inventories started 2002 down 2 percent from a year earlier and finished the year down over 8 percent from January 1, 2002. Although feedlot placements declined 2 percent, fed cattle marketings rose 1 percent as feeding conditions were extremely favorable for feedlot gains, particularly when compared to the very poor feeding conditions in the first half of 2001. Feeder cattle supplies were bolstered by continued low heifer retention for herd expansion and extremely dry conditions in Canada resulting in poor forage conditions and sharply reduced crop production. Fewer U.S. feeder cattle were exported to Canada in 2002 due to their reduced feed grain supplies, and more feeder cattle were imported by the United States from Canada. Both factors helped hold up feeder cattle supplies, resulting in continued large feedlot placements.

Record Dressed Weights and Herd Liquidation Results in Record Production

Although cattle slaughter rose 1 percent in 2002, beef production was record large, up nearly 4 percent from a year earlier. Production was supported by heavier dressed commercial slaughter weights S up 20 pounds from the weather-stressed levels in 2001. Steer slaughter rose over 2 percent, aided by the increase in net imports of feeder cattle, primarily steers. Heifer slaughter was about unchanged from a year earlier, even as cattle inventories continued to decline. Cow slaughter remained large, about unchanged from a year earlier, with beef cow slaughter up 1 percent.

Veal production rose less than 1 percent. Calf slaughter increased nearly 4 percent. Production was held down by a 5-pound drop in commercial dressed carcass weights, due to the increased proportion of lighter bob veal calves in the mix. Stronger demand for stocker/feeder cattle would normally bid more of these calves out of the veal slaughter market.

Retail Beef Prices Under Pressure of Large Beef and Other Meat Supplies

Cattle and boxed beef prices, while below the record levels of 2001, remained strong. Retail prices for Choice beef averaged \$3.32 per pound, down from \$3.38 in 2001 when poor weather conditions held down production, but still the second highest on record. Beef consumption rose 1.5 pounds to 67.9 pounds per capita (retail weight) in 2002, while total red meat and poultry consumption rose 7 pounds to 221 pounds per capita. Although beef exports increased from the depressed 2001 levels of 2,269 million pounds, they only rose to 2,447 million pounds, near the levels of 1999 and 2000.

Cattle Prices Decline

All cattle prices were under the pressure of weather uncertainties and large meat supplies in 2002. Fed cattle prices in Nebraska averaged \$67.04 per cwt in 2002, with the largest year-to-year declines occurring in the first half against the near record prices of 2001. Prices strengthened late in the year as feedlot inventories moved below year-earlier levels. Feedlot returns also turned positive in late summer.

Stocker/feeder cattle prices have remained under pressure of poor forage conditions and constraint due

to large feedlot losses since late spring 2001. Prices for 750 to 800 pound feeder steers averaged \$80 per cwt in 2002, down over \$8 from a year earlier. Yearling prices averaged about \$13 per cwt over fed cattle prices, down from a \$16 spread in 2001 and about \$17 in 2000.

Utility cow prices averaged near \$39 per cwt, down about \$5 as drought continued to force more cows to slaughter. Drought in Australia and reduced demand for beef in Japan also resulted in continued larger imports of processing beef.

Future Implications

Cattle inventories are expected to continue declining in 2003. If forage conditions begin to improve this spring and summer, inventories may begin to stabilize in 2004. Inventories are not likely to begin to rise before 2005, with production beginning to rise in 2006. With production continuing to decline for the next couple of years cow-calf production should remain profitable as forage conditions improve and increased heifer retention begins. However, profitability in the cattle-feeding sector will be under pressure of strong demand for feeder cattle and higher feeder cattle prices. Although beef demand, particularly for higher quality beef, is expected to remain strong, increased production from competing meats will hold down retail beef gains.

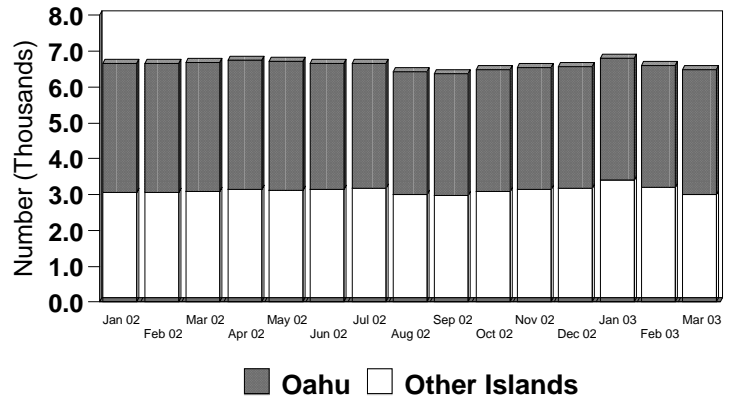
Source: *Livestock, Dairy, and Poultry Outlook, April 16, 2003, Economic Research Service, United States Department of Agriculture.*

MARCH, FIRST QUARTER MILK LOWER



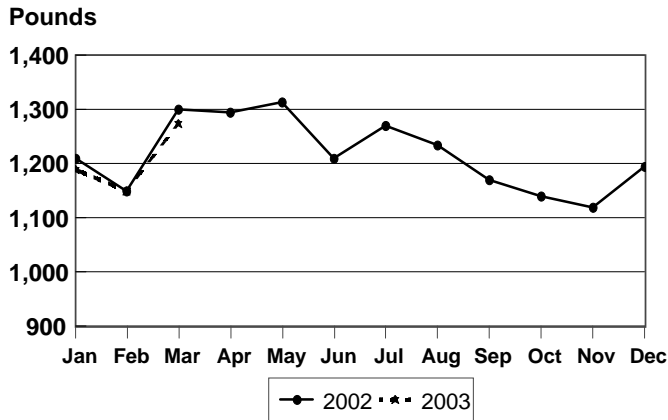
In March, Hawaii's dairy cows produced **8.3 million pounds** of milk, compared to 8.7 million pounds in March 2002 and 7.6 million in February 2003. The cow inventory, both dry and in milk, numbered 6,500 head, 200 below March last year and 100 head less than February this year. In March, output per cow averaged 1,275 pounds, 25 pounds lower than March 2002 but 125 pounds higher than February. Milk output for the first quarter of 2003 totaled 24.0 million pounds, a 2 percent decline from the comparable period in 2002. Honolulu accounted for 61 percent of the output with Hawaii island producing the remainder.

Milk Cows State of Hawaii, 2002-2003



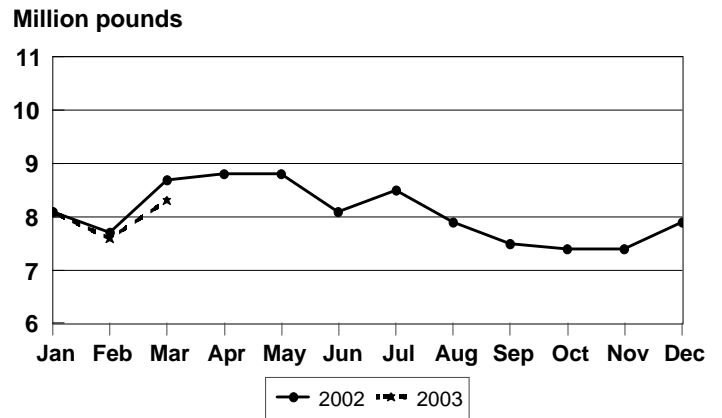
HASS

Milk Production Per Cow, State of Hawaii, 2002-2003



HASS

Total Milk Production, State of Hawaii, 2002-2003



HASS

Milk cows and milk production, State of Hawaii, March 2003

| County | All milk cows ^{1,2,3} | | | Milk per cow ³ | | Milk production ^{1,3} | | | |
|----------|--------------------------------|-----------|-----------|---------------------------|-----------|--------------------------------|-----------|--------------|--------|
| | Mar. 2002 | Feb. 2003 | Mar. 2003 | Mar. 2002 | Mar. 2003 | Mar. 2002 | Mar. 2003 | Year-to-date | |
| | Number | | | Pounds | | 1,000 pounds | | | |
| Hawaii | 3,080 | 3,200 | 3,100 | 1,005 | 1,040 | 3,100 | 3,225 | 8,765 | 9,360 |
| Honolulu | 3,600 | 3,400 | 3,400 | 1,565 | 1,500 | 5,635 | 5,105 | 15,720 | 14,645 |
| State | 6,700 | 6,600 | 6,500 | 1,300 | 1,275 | 8,700 | 8,300 | 24,500 | 24,000 |

¹ State totals may not add due to rounding.

² Includes dry cows and cows on non-commercial dairy farms.

³ Figures for 2003 are preliminary.

U.S. PRODUCTION UP 1.5 PERCENT

Milk production in the 20 major States during March totaled 13.0 billion pounds, up 1.5 percent from March 2002. February revised production, at 11.6 billion pounds was up 1.6 percent from February 2002. The February revision represented a decrease of 8 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,664 pounds for March, 10 pounds above March 2002. The number of milk cows on farms in the 20 major States was 7.81 million head, 67,000 head more than March 2002, and 2,000 head more than February 2003.

Average farm prices, State of Hawaii, March 2003

| Commodity | March 2002 | February 2003 | March 2003 |
|--|------------------------------------|------------------|---------------|
| | ----- cents per pound ----- | | |
| Range steers and heifers ¹ | | | |
| - <i>dressed weight</i> | 78.0 | 75.0 | 75.0 |
| - <i>(live weight equivalent)</i> | (42.8) | (41.2) | (41.2) |
| Cows ¹ | | | |
| - <i>dressed weight</i> | 54.0 | 56.0 | 56.0 |
| - <i>(live weight equivalent)</i> | (29.6) | (30.7) | (30.7) |
| Market hogs ^{1 2} | | | |
| - <i>dressed weight</i> | 113.5 | 114.0 | 114.0 |
| - <i>(live weight equivalent)</i> | (85.1) | (85.5) | (85.5) |
| | ----- dollars per 100 pounds ----- | | |
| Milk ³ | 23.70 | 23.00 | 23.00 |
| | ----- cents per dozen ----- | | |
| Eggs ⁴ | 85.5 | 84.0 | 83.0 |

¹Equivalent 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.