



HAWAII DEPARTMENT OF AGRICULTURE
1428 South King Street
HONOLULU, HI 96814-2512

U.S. DEPARTMENT OF AGRICULTURE
Phone: (808) 973-9588
FAX: (808) 973-2909

FACT FINDERS FOR AGRICULTURE

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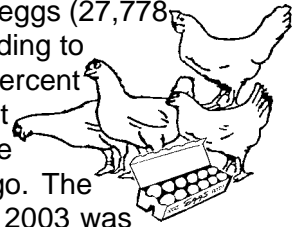
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APRIL EGG PRODUCTION 1 PERCENT BELOW A YEAR AGO

Egg production during April, totaled **10.0** million eggs (27,778 cases), 1 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 5 percent increase in the average rate of lay was not enough to offset the 6 percent decline in the average number of layers on hand from a year ago. The average number of layers on hand during April 2003 was 514,000, compared with 545,000 a year ago, and 519,000 during March. The average rate of lay was 1,946 eggs per 100 layers (64.9 percent lay rate) compared with 1,853 (61.8 percent) a year ago. Cumulative egg production for the first third of 2003 was 1 percent below the same 4-month period in 2002.



U.S. EGG PRODUCTION

U.S. egg production totaled 7.13 billion during April 2003, up slightly from last year. Production included 6.05 billion table eggs and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 63.0 million were egg-type. The total number of layers during April 2003 averaged 336 million, down slightly from a year earlier. April egg production per 100 layers was 2,123 eggs, up 1 percent from April 2002. April 2003 contained 22 weekdays, and four Saturdays, equal to April 2002.

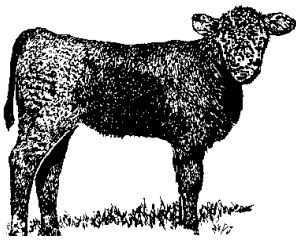
All layers in the U.S. on May 1, 2003, totaled 334 million, down 1 percent from a year ago. The 334 million layers consisted of 274 million layers producing table or commercial type eggs, 57.6 million layers producing broiler-type hatching eggs, and 2.77 million layers producing egg-type hatching eggs. Rate of lay per day on May 1, 2003, averaged 70.5 eggs per 100 layers, up 2 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.66 billion eggs during April 2003, down slightly from a year ago. The average number of layers during April, at 313 million, was down 1 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Apr. 2002	Mar. 2003	Apr. 2003	Apr. 2002	Apr. 2003	Apr. 2002	Apr. 2003	Year-to-date	
								2002	2003
	----- Thousands -----			--- Number ---		----- Millions -----			
Hawaii/Kauai/Maui	121	121	116	1,932	2,043	2.3	2.4	9.8	9.6
Honolulu	424	398	398	1,839	1,902	7.8	7.6	29.6	29.5
State	545	519	514	1,853	1,946	10.1	10.0	39.4	39.2

¹ State totals may not add due to rounding.



APRIL MARKETINGS OFF 44 PERCENT FROM A YEAR AGO

Cattle marketings during April totaled 3,300 head, compared with 5,900 head a year ago and 3,500 head during March 2003. Declines in out-of-state shipments accounted for the 44 percent drop in marketings when compared with a year earlier. Year-to-date marketings of 13,500 head were 22 percent below the same 4-month period in 2002. The number of cattle and calves shipped out-of-State during April totaled 2,300 head compared with 5,000 a year earlier and 2,700

during March. Cumulative out-of-state shipments during 2003 totaled 9,900 head, 26 percent less than the same period in 2002.

Cattle Marketings, State of Hawaii, April 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
April	5,900	3,300	3,000	1,300	2,000	1,000	5,000	2,300	430	460
Year-to-date ⁴	17,300	13,500	7,800	5,600	5,600	4,300	13,400	9,900	444	451

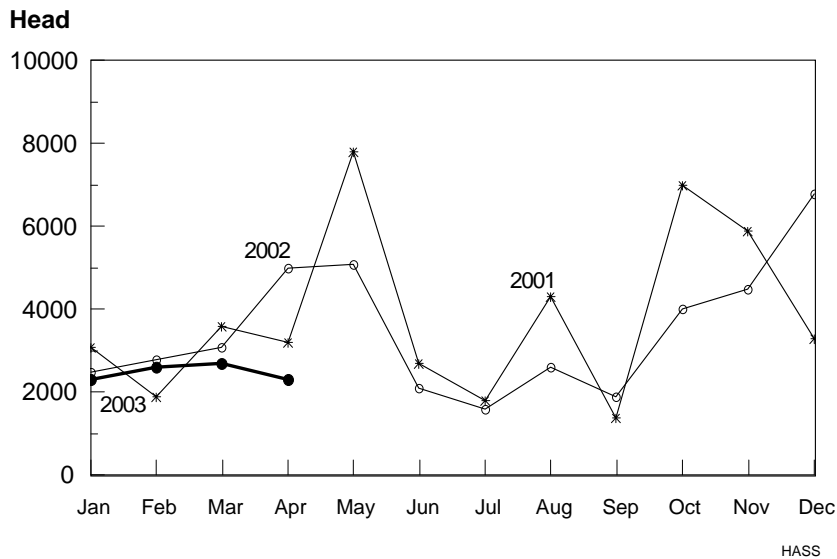
¹ Sum of Commercial Slaughter and Exports.

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	
3-22-03	—	—
4-5-03	—	—
	from Sioux Falls	
3-22-03	76.50	76.50
4-5-03	79.50	80.00

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

DONALD A. MARTIN

State Agricultural Statistician

REGINA W. HIDANO

Agricultural Statistician

NILS K. MORITA

Research Statistician

STEVE GUNN

Deputy State Agricultural Statistician

JOYCE JAY

Statistical Assistant

KAREN A. LEE

Statistical Assistant

Contributing by County

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

PASTURE AND LIVESTOCK CONDITION, MAY 1, 2003



Hawaii County

Hilo and Puna: The return of trade wind weather during April provided near normal to above normal rainfall totals for the Hilo, Puna area. Much of this

rainfall fell during the middle-third portion of the month providing many of the grazing areas the much needed moisture to improve pasture conditions, as a result, new grass prospects were good, but were somewhat slowed by the cloudy, cool conditions. Many upper elevation Mauna Kea pastures also received some beneficial showers at months' end. The previously dwindling stock water supplies were restored to adequate levels by the good rains. The condition of the cattle and calves were improved and were in fair to good condition.

Ka'u: Although rainfall totals were below normal for the district. Sufficient first-half shower activities combined with warm second-half temperatures provided enough stimulus for adequate new grass growth. Most of the cattle and calves were in fair to good condition.

Kona: Except for the rain gage at Keahole Airport, which recorded rainfall totals well above normal, all other areas of Kona received below normal rainfall totals. Light intermittent rains which fell earlier in the month helped to stimulate some new grass growth, but the continued dry condition which persisted from previous months has hampered any good pasture recovery. Pastures were in fair to poor condition, with coastal pastures the driest. Both soil moisture levels and stock water levels continued below normal. Cattle and calves were in fair condition with the feeding of some supplement.

Kohala: The return of trade winds did not alleviate the dry conditions as rainfall totals continued below normal throughout the district. Although showers were generally light, the occurrence on a daily basis provided some pastures the necessary moisture to stimulate new grass growth. Most pastures remained in fair to good condition with some lower elevation leeward coastal pastures still dry. The spread of the Senecio weed was

taking place in the Waikii area. Stock water supplies were adequate. Cattle and calves were in fair to good condition, with some supplement being fed.

Hamakua: Although rainfall totals were below normal for the month, the light to moderate rainfall which occurred benefitted most lower and upper elevation pastures. Mid-elevation pastures, on the other hand, had limited precipitation and grass growth. Some water hauling was necessary. Cattle and calves were in fair condition, with some supplemental feeding.

Honolulu County

Rainfall totals for the month of April continued below normal. However, because precipitation was more consistently distributed during the month and the year, most windward pastures were in fair to good condition. Leeward pastures received some much needed rainfall on April 10th, but more was needed to improve pastures and to overcome dry pasture conditions. Cattle and calves were in fair to good condition.

Kauai County

The return of trade wind weather combined with some destabilizing weather, during the first-third of the month, helped to provide near normal to well above normal rainfall totals for the island. Even the normally dry western and southern portions of the island received some of the heavy rainfall. As a result, pastures on the island were in mostly good condition. Cattle and calves were in fair to good condition.

Maui County

Except for the eastern portion of Maui, rainfall totals for the county were generally well below normal. However, some timely rainfall over windward sectors kept most of the pastures in fair to good condition. Most leeward pastures were dry and in fair condition, but with an adequate supply of dry forage. Cattle and calves were in 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

Meat Production in 2004 May Decline Fractionally

Red meat and poultry production in 2004 is expected to total about 84.4 billion pounds, down fractionally from this year and 1.5 percent below 2002. The continuing decline in red meat production due to reduced animal inventories will only be partially offset by increasing poultry production. Poultry production, with a much shorter biological cycle, is expected to respond to expected higher broiler prices in 2003 and 2004 than in 2002 and lower feed costs in 2004.

With red meat production below year-earlier levels and increasing exports, hog and cattle prices are expected to continue to register gains again in 2004. Both feeder and fed cattle prices are expected to increase due to continuing declining animal numbers. Broiler prices in 2003 and 2004 are expected to average about 5 cents above 2002's 55.6 cents per pound. Both broiler

production and exports are expected to increase in 2004.

Meat and poultry exports are expected to increase 3-4 percent in 2004, compared with a likely 3-percent gain this year. All major meats are expected to post gains in both 2003 and 2004. However, beef exports this year will likely be up less than 1 percent. Imports of cattle and hogs are expected to decline in 2004 as grain production recovers from the drought-reduced crop last year. Due to the expected larger grain crop, more animals will be retained in Canada for feeding.

First projections of 2004 dairy markets show only a slight rebound from this year's very low prices. Large commercial stocks at the start of 2004 will buffer the price effects of slow growth in milk production and recovering sales.

Economic Effects of Major Livestock Diseases Outbreaks

Despite differences in their effects on animals, a wide range of animal diseases have the potential to affect producers and consumers in some very similar ways. The common elements in potential effects from these diseases are declines in productivity or the destruction of infected animals, which can result in increased production costs, lost product market shares, higher food costs for consumers, and lost of trade.

Many animal diseases are found in the United States and outbreaks occur occasionally. Examples include brucellosis, anthrax, rabies, bovine tuberculosis, low-pathogenic avian influenza, and, since 1999, West Nile virus. Some diseases like FMD, not confirmed in the United States since 1929, and bovine spongiform encephalopathy (BSE or "mad cow disease"), which has never been detected in the United States, remain threats because of the potential each has for widespread adverse effects on production, the economy, and international trade.

Animal disease effects can range from barely-perceptible declines in the productive output of a few animals on a farm to widespread disease outbreaks where millions of animals are infected or destroyed to control a highly contagious disease. Initially, domestic meat supplies can increase because of restrictions on

exports from the infected country. Later, because of international restrictions on exports, the number of animals destroyed during the outbreak may exceed the number of animals forced on the domestic market. Then, domestic meat supplies can decline and can lead to higher prices at retail meat markets. In addition, domestic transportation restrictions can lead to bottlenecks ranging from the inability to get market-ready livestock from the farm to processors and feed shortages to local gluts or shortages at retail outlets. Some livestock diseases and pathogens, like *E.coli* and *Salmonella*, whose effects on livestock production are relatively minor, can still have serious implications for humans. Some diseases, like BSE, can survive slaughter and food manufacturing processes and can lead to serious foodborne illnesses in humans. Other diseases, like FMD, do not affect the safety of meat, yet this meat is not allowed into the food chain. In this case and despite indemnities, the destruction of livestock seriously affects producers' financial well-being.

In some cases, a disease may affect one species and not affect another at all, but because of the mode of disease transmission, meat from neither species is allowed to enter the human food supply. For example, if FMD were to occur in the United States, all cattle, pigs, and sheep in the vicinity of the disease outbreak

would be affected by the disease and would be quarantined. Poultry are not susceptible to FMD, but because they can become carriers of the virus, those birds within quarantine areas could be destroyed along with other quarantined animals. Some diseases result in restrictions on movements or special sanitation-disinfection requirements for humans, vehicles used to transport humans, livestock feed, or livestock themselves. Other diseases are more specific, like END that affects poultry and some other bird species. END can result in poultry and poultry product restrictions, but does not result in constraints on uses of other livestock from a quarantined area. Finally, several animal diseases can cross species barriers, infecting both animals and humans. Examples include BSE, West Nile virus, tuberculosis, and brucellosis. Finally, livestock can function as carriers that, while not directly infected, can transmit diseases to humans, as with *E. coli* and *Salmonella*.

Periodic disease outbreaks in the United States and around the world can have significant effects on the producers involved, and in some cases, the effects have generated more widespread effects throughout the affected economies. For example, several countries, including the United States, restricted the importation of live cattle from the United Kingdom when BSE was first described in 1984. In 1991, the U.S. ban was extended to cattle and beef products. The announcement in 1996 of a possible connection between BSE and variant Creutzfeldt-Jakob disease, the fatal human variant of BSE, prompted a number of additional restrictions on, not only live animals, but on livestock products and livestock feed ingredients containing meat and bone meal. In the United States, restrictions extend to imports from any country in which BSE is discovered or for which there is a high risk of BSE. The United Kingdom has slaughtered almost 6 million head of cattle based on approximately 180,000 confirmed cases of BSE since 1984. Total costs to the United Kingdom since the BSE outbreak began have been estimated at over \$5 billion. An FMD outbreak in 2001 that compounded effects from BSE has been estimated to have cost the United Kingdom economy

approximately \$11.5 billion, primarily in lost production, trade, and tourism.

A second example is the Exotic Newcastle disease (END) that has been confirmed in backyard poultry flocks in the Southwestern United States, but only commercial poultry flocks in California have been infected. Almost 3.5 million birds have been destroyed. The outbreak has already had an impact on U.S. poultry trade with many countries. Most countries have banned poultry and poultry products from quarantined States. Some countries have banned poultry from an even wider area, including Mexico where END is endemic. The European Union, Guam, and Argentina initially went beyond a regional ban by banning poultry and poultry products from all of the entire U.S. mainland. However, as of February 3, 2003, the European Union ban was revised to affect only poultry and poultry products from California, Nevada, and Arizona. Texas and New Mexico have since been added to the list. In 2002, total United States exports of poultry and poultry products amounted to about 14 percent of total production and were valued at about \$1.9 billion. Since END has been found only in backyard flocks and a few commercial laying flocks, the impact on poultry trade has been relatively minor. Poultry products can be moved through the quarantined area, but only if in sealed containers.

Increased international trade and travel, threats from bioterrorism, and the occurrence of new or more virulent strains of livestock diseases have increased the potential for outbreaks of these and other livestock diseases. Implications for human health and potential economic burdens throughout the economy have prompted increasing levels of surveillance and monitoring in the United States for many livestock diseases.

Kenneth H. Mathews, Jr.

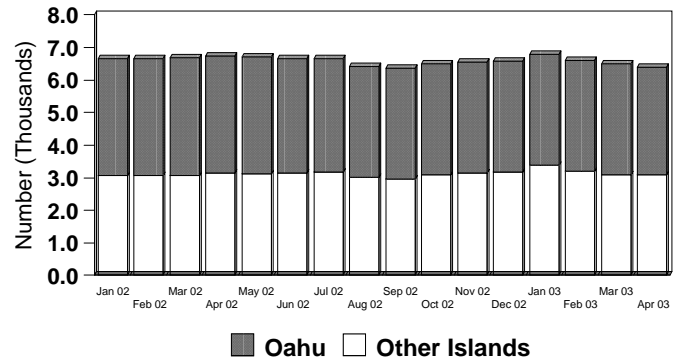
Source: *Livestock, Dairy, and Poultry Outlook, May 16, 2003, Economic Research Service, United States Department of Agriculture.*

APRIL PRODUCTION DOWN



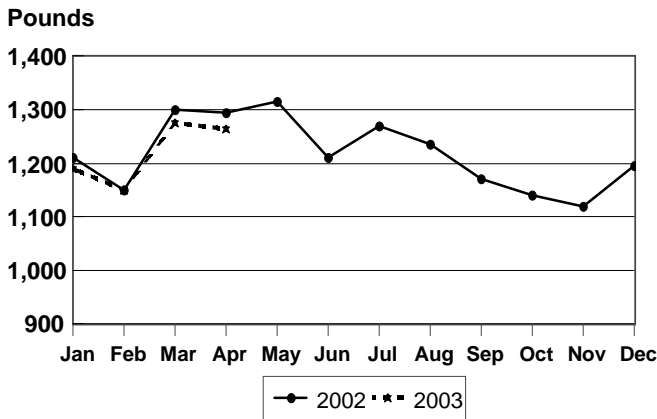
Hawaii's dairy cows produced **8.1** million pounds of milk in April, compared to 8.8 million pounds in April 2002 and 8.3 million in March 2003. The cow inventory, both dry and in milk, numbered 6,400 head, 400 below April last year and 100 head less than March this year. In April, output per cow averaged 1,265 pounds, 30 pounds lower than April 2002 and 10 pounds below March. Milk production for the first four months of 2003 totaled 32.1 million pounds, a 4 percent decline from the comparable period in 2002.

Milk Cows
State of Hawaii, 2002-2003



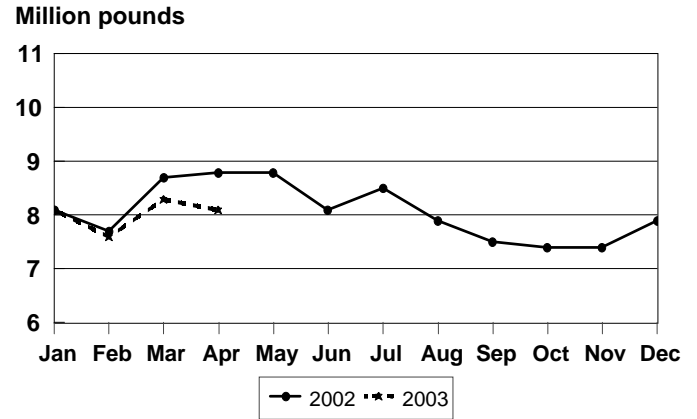
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Milk Production Per Cow,
State of Hawaii, 2002-2003



HASS

Total Milk Production,
State of Hawaii, 2002-2003



HASS

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

County	All milk cows ^{1,2,3}			Milk per cow ³		Milk production ^{1,3}			
	Apr. 2002	Mar. 2003	Apr. 2003	Apr. 2002	Apr. 2003	Apr. 2002	Apr. 2003	Year-to-date	
	Number			Pounds		1,000 pounds			
Hawaii	3,150	3,100	3,100	950	1,005	2,990	3,120	11,755	12,480
Honolulu	3,600	3,400	3,300	1,600	1,505	5,760	4,965	21,480	19,610
State	6,800	6,500	6,400	1,295	1,265	8,800	8,100	33,300	32,100

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 April totaled 12.7 billion pounds, up 0.8 percent from April 2002. March revised production, at 13.0 billion pounds was up 1.2 percent from March 2002. The March revision represented a decrease of 0.2 percent or 27 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,625 pounds for April, 4 pounds above April 2002. The number of milk cows on farms in the 20 major States was 7.80 million head, 42,000 head more than April 2002, but 11,000 head less than March 2003.

Average farm prices, State of Hawaii, April 2003

Commodity	April 2002	March 2003	April 2003
	----- cents per pound -----		
Range steers and heifers ¹			
- <i>dressed weight</i>	80.0	75.0	75.0
- <i>(live weight equivalent)</i>	(43.9)	(41.2)	(41.2)
Cows ¹			
- <i>dressed weight</i>	54.5	56.0	56.0
- <i>(live weight equivalent)</i>	(29.9)	(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	23.80	23.00	22.70
	----- cents per dozen -----		
Eggs ⁴	86.0	83.0	82.5

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.