



HAWAII

AGRICULTURAL STATISTICS

NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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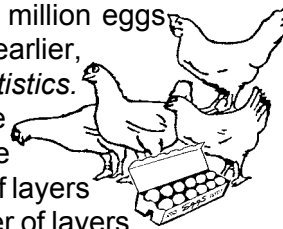
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JULY EGG PRODUCTION 3 PERCENT ABOVE YEAR AGO

Egg production during July, totaled **10.0** million eggs (27,778 cases), 3 percent above a year earlier, according to the *Hawaii Agricultural Statistics*. The 5 percent increase in the average rate of lay was more than enough to offset the 2 percent decline in the average number of layers on hand, during July. The average number of layers on hand during July 2004 was 495,000, compared with 504,000 a year ago and June 2004. The average rate of lay was 2,020 eggs



per 100 layers (65.2 percent lay rate) compared with 1,925 (62.1 percent) a year ago. Cumulative production for the first seven months of 2004 was 69.7 million eggs, 3 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.54 billion during July 2004, up 2 percent from last year. Production included 6.45 billion table eggs, and 1.10 billion hatching eggs, of which 1.04 billion were broiler-type and 56.0 million were egg-type. The total number of layers during July 2004 averaged 342 million, up 2 percent from a year earlier. July egg production per 100 layers was 2,207 eggs, down slightly from July 2003.

July 2004 contained 22 weekdays, 5 Saturdays, 1 holiday compared to July 2003 which contained 23 weekdays, 4 Saturdays and 1 holiday.

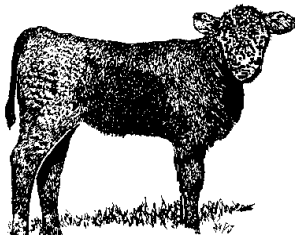
All layers in the U.S. on August 1, 2004, totaled 342 million, up 2 percent from a year ago. The 342 million layers consisted of 283 million layers producing table or market type eggs, 56.2 million layers producing broiler-type hatching eggs, and 2.40 million layers producing egg-type hatching eggs. Rate of lay per day on August 1, 2004, averaged 71.0 eggs per 100 layers, down 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 7.05 billion eggs during July 2004, up 2 percent from a year ago. The average number of layers during July, at 319 million, was up 2 percent from a year ago.

Number of layers and egg production, State of Hawaii, July 2004¹

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	July 2003	June 2004	July 2004	July 2003	July 2004	July 2003	July 2004	Year-to-date	
								2003	2004
	----- Thousands -----			--- Number ---		----- Millions -----			
Hawaii/Kauai/Maui	123.0	121.2	123.8	2,182	1,916	2.60	2.38	16.80	16.40
Honolulu	381.0	382.9	370.8	1,866	2,052	7.10	7.62	51.20	53.30
State	504.0	504.0	495.0	1,925	2,020	9.70	10.00	68.00	69.70

¹ State totals may not add due to rounding.



JULY MARKETINGS OFF 25 PERCENT FROM YEAR AGO

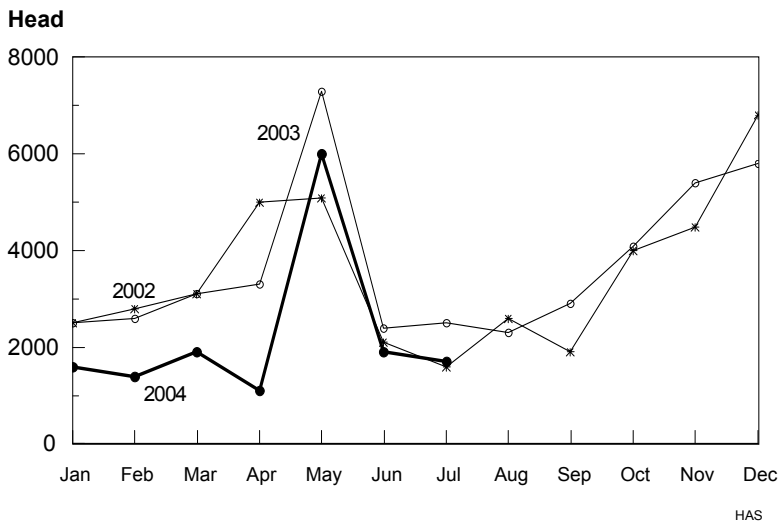
Cattle marketings during July totaled 2,700 head, compared with 3,600 head a year ago and 2,700 head during June 2004. Out-of-state shipments accounted for most of the decline as exports decreased 32 percent from a year ago to 1,700 head. Cumulative marketings for the first seven months of 2004 was 21,600 head, a decrease of 28 percent from the same period a year earlier. Year-to-date exports for 2004 was 15,500 head, a decrease of 35 percent from the same 7-month period in 2003.

Cattle Marketings, State of Hawaii, July 2004

Month	Total Marketings ¹		Exports ²							
	Number of Head ³		Number of Head						Average Live Weight	
			Steers		Heifers		Total ³			
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
July	3,600	2,700	1,400	1,200	1,100	500	2,500	1,700	349	449
Year-to-date ⁴	30,100	21,600	13,300	9,600	1,0400	5,900	23,700	15,500	434	428

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, 2002-2004



SLAUGHTER CATTLE (U.S.)

Weekly Simple Average of Daily Quotations, Choice 2-4

Dollars per 100 pounds

Week ending	Steers	Heifers
	(1,150 - 1,500 pounds)	(1,000 - 1,300 pounds)
from Sioux Falls		
5-15-04	88.50	89.00
5-29-04	84.50	84.00

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

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COMMERCIAL BEEF PRODUCTION OFF 4 PERCENT FROM YEAR AGO

Commercial beef production (local slaughter) during July 2004 totaled 599,000 pounds, compared with 626,000 pounds a year earlier. Commercial kill for July 2004 totaled 1,000 head, 100 fewer than a year ago. Average live weight per head, at 1,091 pounds, was 2 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.10 billion pounds, was 14 percent below the previous year. Cattle slaughter totaled 2.79 million head, down 15 percent from July 2003. The average live weight was up 14 pounds from the previous year, at 1,239 pounds.

PORK PRODUCTION DOWN 11 PERCENT FROM A YEAR AGO

Commercial pork production during July 2004 totaled 373,000 pounds, compared with 418,000 pounds a year ago. Total hog kill of 2,500 head was 100 head fewer than a year ago. Average live weight per head, at 201 pounds, was 5 percent lighter than a year ago.

U.S. PORK PRODUCTION

Pork production totaled 1.58 billion pounds, down slightly from the previous year. Hog kill totaled 8.09 million head, slightly below July 2003. The average live weight was unchanged from the previous year, at 262 pounds.

Commercial slaughter, State of Hawaii, July 2004 ¹

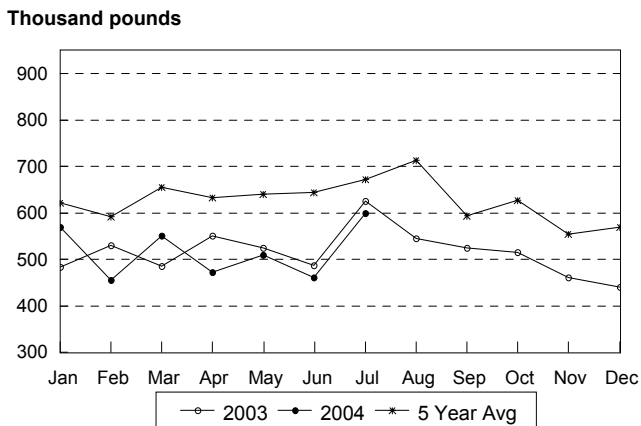
Species	Number of head		Average live weight		Total live weight ²		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
----- pounds ----- 1,000 pounds -----								
Cattle								
July	1,100	1,000	1,066	1,091	1,140	1,091	626	599
Year-to-date	6,400	6,100			6,719	6,593	3,689	3,620
Hogs ³								
July	2,600	2,500	211	201	557	497	418	373
Year-to-date	17,100	16,200			3,608	3,241	2,706	2,431

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

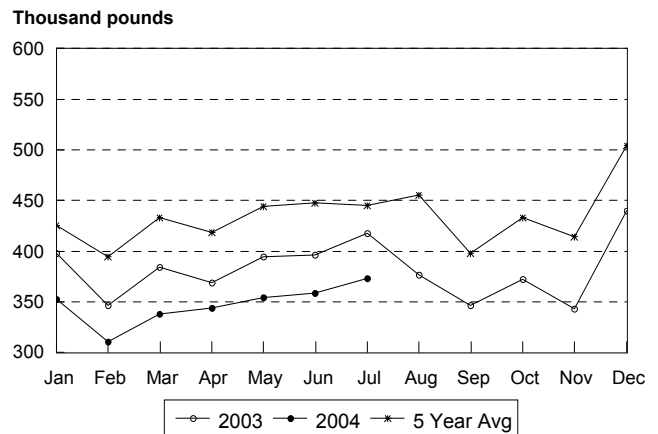
² Estimates based on 54.9 dressing percentage for cattle; 75.0 dressing percentage for hogs.

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

Commercial Beef Production, State of Hawaii
2004, with comparisons



Commercial Pork Production, State of Hawaii
2004, with comparisons



PASTURE AND LIVESTOCK CONDITION, AUGUST 1, 2004

Hawaii County



Hilo and Puna: Pastures in Hilo and Puna were in generally fair to good condition. Grasses were making slower growth in the second half of

July as a result of very hot and dry weather. Rainfall was reported at 4.4 inches during the month, 5.0 inches below normal. Most of the rain fell in the first half of the month. Upper elevation pastures in Mt. View and Volcano received slightly more rainfall and were making fair to good progress. Upper Mauna Kea pastures received light showers, turning pastures brown. Stock water supplies were adequate, cattle condition good.

Ka'u: Pasture conditions have become drier as hot and sunny weather returned to Ka'u in July. Once green pastures in Naalehu and Pahala were starting to turn brown due to the lack of moisture. Middle and higher elevation pastures received light showers that provided some grown moisture. Grasses were green but forage was generally light. Stock water supplies were adequate, cattle condition fair to good.

Kona: Kona received significant showers in July and pastures were reported in good to excellent conditions. Coast areas in Kailua-Kona received heavy showers on July 23. The upper central Kona reported 3.84 inches of rain on July 25 and heavy showers hit the Puu Waawaa area on July 28. Increased soil moisture resulted in good grass growth. Pastures in the central and south Kona districts were reported in good to excellent condition. Stock water supplies were adequate, cattle condition good.

Kohala: Drier conditions prevailed throughout the month of July slowing grass growth. Windward Waimea pastures had better than average forage supplies however drier conditions kept new grass prospects fair. Leeward facing pastures along the Kohala mountain slopes were dry and starting to turn brown. Lower pastures from Lalamilo to Kawaihae

had only dry feed available for grazing. Waikii and Kilohana pastures had short grass growth. North Kohala received light showers and had fair to good grass growth. Cattle condition was reported as good.

Hamakua: Pastures in the Hamakua districts were in fair condition in July. Grass growth was slowed by mostly hot and dry weather conditions. New grass prospects were fair. Light showers were not enough to restore low soil moisture levels in the coastal and low elevation areas. Stock water supplies were low, cattle condition was good.

Honolulu County

Most rain gages on the island of Oahu recorded below normal rain totals during July. The windward sectors received a lower percentage of normal rainfall than the central and leeward areas. As a result, most pastures were rated to be in fair to good condition. Year-to-date rainfall totals at all rain gages on the island were at near to above normal levels. Cattle and calves were also in good to very good condition.

Kauai County

Despite below normal precipitation for the month of July pasture conditions remained in good condition. Rainfall totals ranged between 30 and 60 percent of normal across the island. New grass growth was fair with an abundance of old feed on hand. Cattle and calves were in good to very good condition.

Maui County

Below normal rainfall has contributed to the declining pasture condition throughout Maui. Some sections in the windward received rainfall but Upcountry and leeward area pastures were dry. Molokai pastures are generally in fair to good condition with mostly dry conditions and only occasional showers. 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.

AGRICULTURAL OUTLOOK

Cattle/Beef

NOTE: Due to uncertainties as to the length of the bans regarding the imports of ruminant products due to the discovery of BSE in Canada and the United States in 2003, forecasts for 2004 and 2005 assume a continuation of policies currently in place. Subsequent forecasts will reflect any announced changes.

Cattle Herd Continues Decline, Herd Expansion Evasive

The **Cattle** report indicated that inventories continued the decline that began in 1996. The liquidation phase of this cycle, now in the 8th year, could easily become one of the longest in history. The number of heifers reported to be retained for possible addition to the breeding herd was up 4 percent from a year earlier. These heifers most likely will be retained from this year's calf crop. If additional heifers are retained, they won't be bred until 2005, with the calves born in 2006, and beef supplies increasing in mid-2007. A record grain harvest is projected for this year and with it continued moderate cost of gain for the livestock sector. Grazing conditions are very favorable in the eastern two-thirds of the country, but much of the west remains dry. Although conditions are more favorable for expansion than at any time since 1998, major uncertainties and record feeder cattle prices cloud the issue. There is economic uncertainty amid record oil prices and international unrest. In addition, international uncertainties exist on reopening the export market with Japan and prospects for a further opening of the market with Canada. All raise issues on the beginning, much less the strength, of herd expansion during 2004 given the very high opportunity cost of female retention.

Record-Setting Crop/Forage Conditions

The August crop report forecast record total feed grain production for 2004/05. Corn production is forecast at a record 10.923 million bushels, well above the previous record set last year at 10.114 million bushels. The projected farm price of corn was lowered 25 cents to \$2.05 to \$2.45 per bushel. This estimate is below the \$2.32 and \$2.40 averages of the past 2 years, respectively. Soybean meal prices are projected at \$180 to \$210 per short ton, down \$5 on both ends of the range and well below last year's \$260 a ton.

Forage conditions in the eastern two-thirds of the country are much improved from a year earlier.

Much of the west remains dry, and forage supplies remain under pressure. This year's total hay and other hay crops are expected to be record large. Other hay production is expected to increase 5 percent from 2003, and yields, at 2.25 tons per acre, are expected to break last year's record of 2.03 tons per acre. Alfalfa hay production is expected to rise 1 percent, the largest production in 2002 or 2003, but well below the levels of 1998 through 2001. The quality of other hays may be an important issue this year as favorable moisture conditions also produced poor harvesting conditions.

The farm price of other hay in July averaged \$70.90 a ton, down from \$77.80 a year earlier. However, alfalfa hay prices averaged \$98.40 a ton in July, up from \$92.70 last year. Alfalfa hay production and yields were under downward pressure in much of the Rocky Mountain area due to extreme weather conditions: hot and dry in some areas and monsoonal rains in others.

Heifers Calving, Entering Herd, Down

Although producers indicated intentions to retain 4 percent more heifers for possible herd expansion, the number of heifers calving and entering the herd in first-half 2004 were the lowest since 2000. Cow slaughter remains well below a year earlier, the first stage of moving toward expansion, but heifer retention and likely breeding for calving in 2005 has not begun to be much of an influence on expansion. Larger numbers of heifers retained from this year's calf crop will be the next real opportunity to set the stage for expansion. Additional heifer retention will further tighten feeder cattle supplies and beef production in 2005.

Feeder Cattle Supplies Decline

Feeder cattle supplies outside feedlots on July 1 declined nearly 1 percent from a year earlier. This year's calf crop was estimated at 37.7 million head, down nearly 1 percent from last year and the smallest calf crop since 1951. Supplies will almost certainly decline again in 2005. The heifers retained over the next couple of years will tighten supplies even more. Calf slaughter has already declined to modern lows. Calf slaughter may tighten even more as stocker/feeder cattle prices rise, bidding veal calves into feedlots, but the largest declines have already occurred.

On Feed Inventory Remains Large

Cattle on feed on July 1 in feedlots with over 1,000 head of capacity were 2 percent above a year ago, but down 4 percent from 2002. Steer and heifer weights have risen more than seasonally since the

lows were reached in early spring. Larger numbers on feed and heavier weights this summer are in sharp contrast to the light weights and very tight supplies in the second half of 2003, as the market adjusted to the ban on Canadian beef and cattle. Even as beef imports from cattle under 30 months of age were allowed in August, supplies remained tight as demand for meat protein pushed feeder cattle prices well above \$100 per cwt. Cattle on feed inventories are expected to decline from year-earlier levels this fall and for the next couple of years.

Beef Supplies To Remain Tight

Beef production remains very tight, with cow slaughter already down sharply and fed cattle being marketed at a slower pace given the strong demand and high price of feedlot replacement cattle. Production will be near the low levels of a year ago this fall. Production in 2005 will follow a similar pattern of low cow slaughter, and fed cattle inventories will remain very tight. Beef production is expected to decline 5 to 6 percent this year and near 2 percent in 2005. Stronger-than-expected heifer retention or poor feeding conditions could tighten supplies even more.

Dairy

Dairy Replacement Prices Jump

Prices of dairy cow replacements hit a record \$1,720 per head in July, up more than \$400 from a year earlier. Replacement prices jumped since early 2004 mostly because record milk prices boosted demand for dairy heifers. However, the difference between the average replacement price during April-June and the slaughter value for dairy cows was considerably less than it had been during late 2001 and most of 2002 because of higher cull cow prices.

The inventory of dairy replacement heifers (500 pounds and more) stood at 3.6 million on July 1, unchanged from a year earlier but down slightly from 2 years earlier. Total supplies of heifers were down slightly at midyear because Canadian imports were not available. Typically, annual imports of replacements from Canada have been equivalent to 1 to 2 percent of the replacement herd.

Increased demand for replacements has had the greatest impact on prices. Very high milk prices

made farmers anxious to keep their facilities completely full and even to stretch capacity if possible. However, the relatively few farm expansions currently underway kept replacement prices from shooting much higher. The second quarter difference between a cow's purchase price and salvage value was just over \$900, \$200 less than during the strong expansion period in 2002. Farmers probably saw the recent high milk prices as temporary in nature and largely irrelevant to investment decisions.

Poultry

Broiler Production Increases by 4 Percent

Broiler production during the first half of 2004 was 16.7 billion pounds, up 4.0 percent from the same period in 2003. Production during the second quarter of 2004 was 2.6 percent higher than the previous year. The increase in broiler meat production was a combination of more birds going to slaughter and a small increase in the average liveweight. Over the first half of 2004, the number of broilers slaughtered was 4.3 billion, up 3.3 percent from the same period in 2003. Average broiler weight at slaughter in the first half of 2004 was 5.22 pounds, up less than 1 percent from the previous year. Broiler meat production during the second half of 2004 is expected to be higher than during the same period in 2003, as broiler companies respond to the stronger prices seen over the first several months of 2004. While broiler prices have fallen in the most recent months, over the first half of 2004 they were considerably stronger than during the same period in 2003. The number of chicks being placed weekly for growout has averaged 173.9 million over the last 5 weeks (July 10 to August 7). This is a 3.4-percent increase over the same period in 2003. The broiler meat production estimates for the third and fourth quarters are 8.8 and 8.6 billion pounds, respectively. These production levels are 3.9 and 3.8 percent higher than the previous year.

*Full text of stories covered above can be found at:
Source: Livestock, Dairy, and Poultry Outlook, August 18, 2004, Economic Research Service, United States Department of Agriculture.*

Internet web site: <http://www.ers.usda.gov/publications/ldp/>

JULY OUTPUT LOWER THAN LAST YEAR

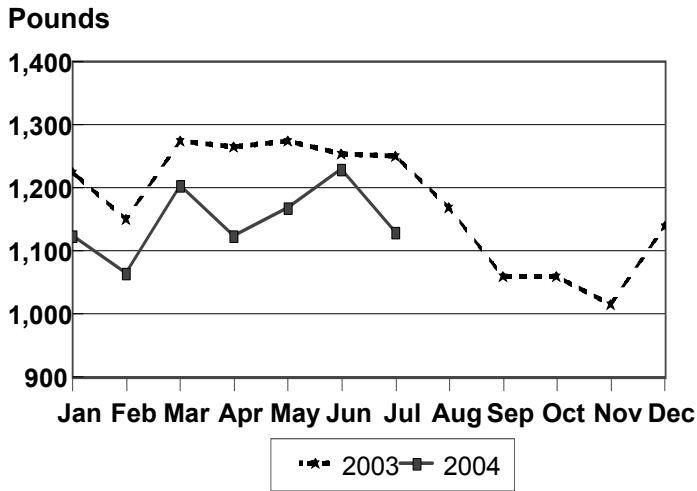


Hawaii's dairy cows produced 6.9 million pounds of milk in July, compared with 8.0 million pounds in July 2003 and 7.5 million pounds in June 2004. The cow inventory, both dry and in milk, numbered 6,100 head, 300 down from July 2003 but unchanged from June 2004. The average output per cow in July was 1,130 pounds, 120 pounds less than the same month last year and 100 pounds below the previous month. Production for the first seven of this year was 9 percent below the comparable period in 2003, totaling 51.0 million pounds.

U.S. MILK PRODUCTION

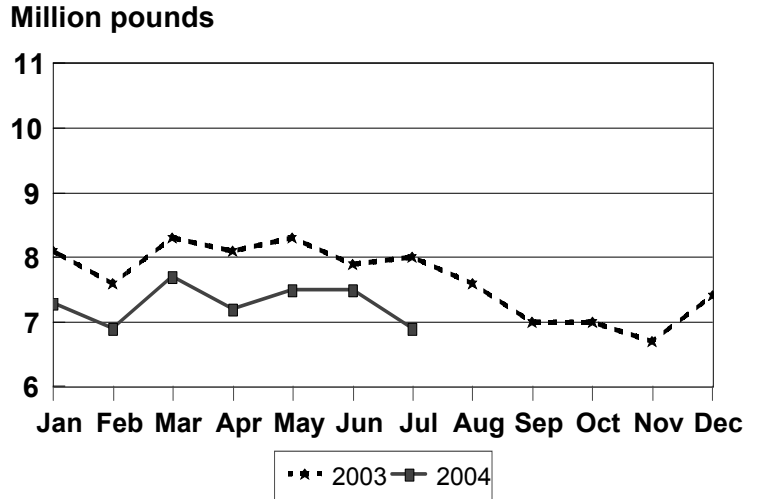
Milk production in the 20 major States during July totaled 12.5 billion pounds, up 0.7 percent from July 2003. June revised production, at 12.4 billion pounds, was down 0.1 percent from June 2003. The June revision represented an increase of 1 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,613 pounds for July, 16 pounds above July 2003. The number of milk cows on farms in the 20 major States was 7.75 million head, 27,000 head less than July 2003, but 11,000 head more than June 2004.

Milk Production Per Cow, State of Hawaii, 2003-2004



HAS

Total Milk Production, State of Hawaii, 2003-2004



HAS

Milk cows and milk production, State of Hawaii, July 2004

County	All milk cows ^{1,2,3}			Milk per cow ³		Milk production ^{1,3}			
	July 2003	June 2004	July 2004	July 2003	July 2004	July 2003	July 2004	Year-to-date	
	Number			Pounds		1,000 pounds			
Hawaii	3,200	3,200	3,200	935	915	2,990	2,925	21,335	20,740
Honolulu	3,200	2,900	2,900	1,570	1,385	5,020	4,020	34,920	30,265
State	6,400	6,100	6,100	1,250	1,130	8,000	6,900	56,300	51,000

¹ State totals may not add due to rounding.

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

³ Figures for 2004 are preliminary.

Average farm prices, State of Hawaii, July 2004

Commodity	July 2003	June 2004	July 2004
	----- cents per pound -----		
Range steers and heifers ¹			
- <i>dressed weight</i>	81.0	85.0	85.0
- <i>(live weight equivalent)</i>	(44.5)	(46.7)	(46.7)
Cows ¹			
- <i>dressed weight</i>	50.0	53.0	51.5
- <i>(live weight equivalent)</i>	(27.5)	(29.1)	(28.3)
Market hogs ^{1 2}			
- <i>dressed weight</i>	117.0	116.5	116.5
- <i>(live weight equivalent)</i>	(87.8)	(87.4)	(87.4)
	----- dollars per 100 pounds -----		
Milk ³	22.90	29.30	26.90
	----- cents per dozen -----		
Eggs ⁴	97.0	112.0	111.0

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.