HAWAII
AGRICULTURAL STATISTICS
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FREQUENCY: Monthly   RELEASED: August 3, 2004

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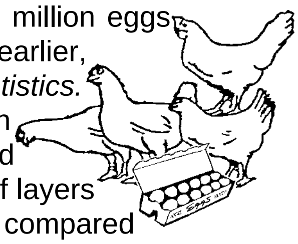
JUNE EGG PRODUCTION 4 PERCENT ABOVE YEAR AGO



Egg production during June, totaled **9.7** million eggs (26,944 cases), 4 percent above a year earlier, according to the *Hawaii Agricultural Statistics.* Both the average number of layers on hand and the average rate of lay increased from a year ago. The average number of layers on hand during June 2004 was 504,000, compared with 494,000 a year ago, and 502,000 during May 2004. The average rate of lay was 1,925 eggs per 100 layers (64.2 percent lay rate) compared with 1,883 (62.8 percent) a year ago. Cumulative production for the first half of 2004 was 59.7 million eggs, 2 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.27 billion during June 2004, up 2 percent from last year. Production included 6.20 billion table eggs, and 1.07 billion hatching eggs, of which 1.02 billion were broiler-type and 54.0 million were egg-type. The total number of layers during June 2004 averaged 342 million, up 2 percent from a year earlier. June egg production per 100 layers was 2,126 eggs, up slightly from June 2003.

June 2004 contained 22 weekdays and 4 Saturdays, compared to June 2003 which contained 21 weekdays and 4 Saturdays.

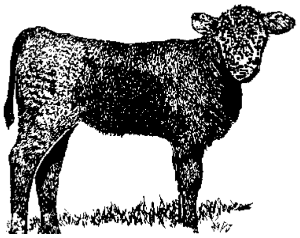
All layers in the U.S. on July 1, 2004, totaled 342 million, up 2 percent from a year ago. The 342 million layers consisted of 283 million layers producing table or commercial type eggs, 56.8 million layers producing broiler-type hatching eggs, and 2.25 million layers producing egg-type hatching eggs. Rate of lay per day on July 1, 2004, averaged 71.3 eggs per 100 layers, down slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.79 billion eggs during June 2004, up 2 percent from a year ago. The average number of layers during June, at 319 million, was up 2 percent from a year ago.

Number of layers and egg production, State of Hawaii, June 2004 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	June 2003	May 2004	June 2004	June 2003	June 2004	June 2003	June 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	117.0	119.2	121.2	1,890	1,717	2.22	2.08	14.20	14.00
Honolulu	377.0	382.9	382.9	1,875	2,007	7.08	7.62	44.10	45.70
State	494.0	502.0	504.0	1,883	1,925	9.30	9.70	58.30	59.70

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



JUNE MARKETINGS OFF 18 PERCENT FROM YEAR AGO

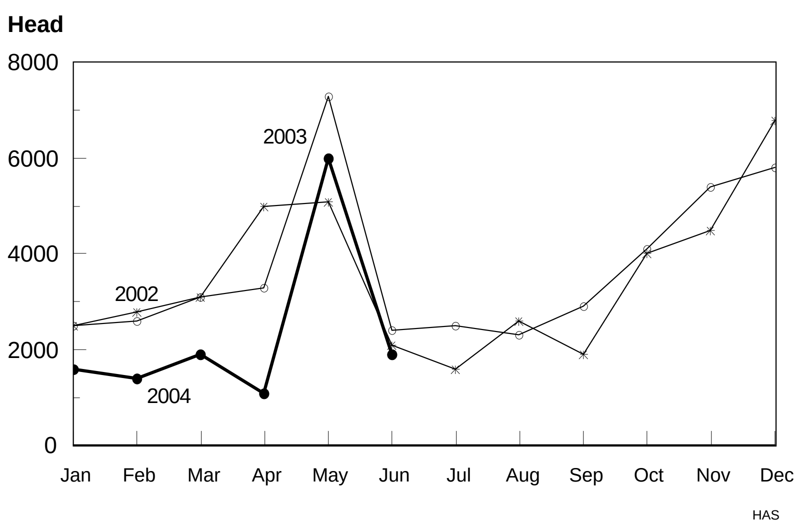
Cattle marketings during June totaled 2,700 head, compared with 3,300 head a year ago and 6,900 head during May 2004. Out-of-state shipments accounted for most of the decline as exports decreased 21 percent from a year ago to 1,900 head. Cumulative marketings for the first half of 2004 was 18,900 head, a decrease of 29 percent from the same period a year earlier. Year-to-date exports for 2004 was 13,900 head, a decrease of 34 percent from the same 6-month period in 2003.

Cattle Marketings, State of Hawaii, June 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
	- - - head - - -								- - pounds - -	
June	3,300	2,700	1,300	900	1,100	1,100	2,400	1,900	488	383
Year-to-date [4]	26,600	18,900	11,900	8,400	9,300	5,400	21,200	13,900	444	417

[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 (1,150 - 1,500 pounds)	Heifers (1,000 - 1,300 pounds)
from Sioux Falls		
4-17-04	90.00	89.75
5-1-04	88.38	88.50

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

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COMMERCIAL BEEF PRODUCTION OFF 6 PERCENT FROM YEAR AGO

Commercial beef production (local slaughter) during June 2004 totaled 461,000 pounds, compared with 488,000 pounds a year earlier. Commercial kill for June 2004 totaled 800 head, 100 fewer than a year ago. Average live weight per head, at 1,062 pounds, was 3 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.23 billion pounds, was 7 percent below the previous year. Cattle slaughter totaled 2.99 million head, down 8 percent from June 2003. The average live weight was up 8 pounds from the previous year, at 1,225 pounds.

PORK PRODUCTION DOWN 9 PERCENT FROM A YEAR AGO

Commercial pork production during June 2004 totaled 359,000 pounds, compared with 396,000 pounds a year ago. Total hog kill of 2,400 head was 100 head fewer than a year ago. Average live weight per head, at 201 pounds, was 4 percent lighter than a year ago.

U.S. PORK PRODUCTION

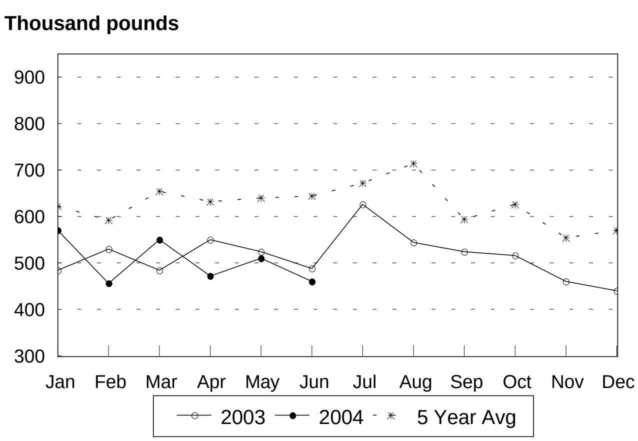
Pork production totaled 1.67 billion pounds, up 9 percent from the previous year and set a monthly record high. Hog kill totaled 8.50 million head, 10 percent above June 2003. The average live weight was 2 pounds below the previous year, at 264 pounds.

Commercial slaughter, State of Hawaii, June 2004 [1]

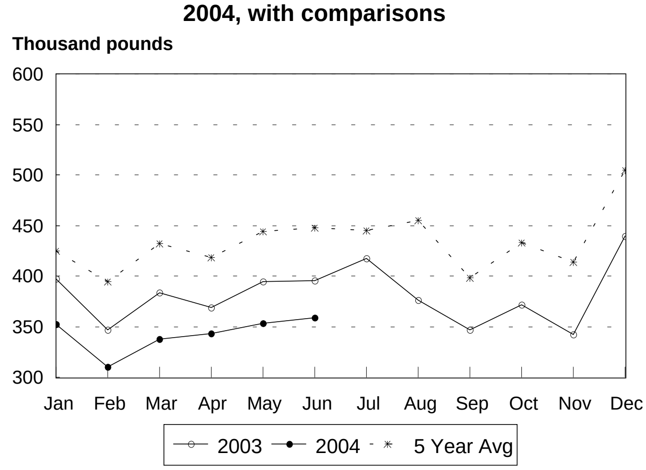
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			- - - - - - pounds - - - - - -		- - - - - - - - - - - - 1,000 pounds - - - - - - - - - - - -			
Cattle								
June	900	800	1,035	1,062	888	839	488	461
Year-to-date	5,400	5,100			5,579	5,502	3,063	3,021
Hogs [3]								
June	2,500	2,400	210	201	528	478	396	359
Year-to-date	14,400	13,700			3,051	2,744	2,288	2,058

[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, JULY 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals for the month of June were below normal and ranged from 52 to 93 percent of normal. This amount of rainfall when combined with rainfall from previous months was sufficient to maintain most pastures in fair to very good condition. New grass growth was good while older forage supplies were plentiful, however, an increase in weed growth has negated some of this benefit in some areas. Stock water supplies were good. Cattle and calves were in good condition.

Ka'u: The decline in rainfall during June combined with windy conditions to slow what good progress, pastures had made since earlier in the year. Although the weather has dried significantly from earlier, there has been enough soil moisture to help maintain most pastures in fair to good condition. New grass growth was adequate and older available forage was in sufficient supply. Stock water supplies were adequate. The condition of the cattle and calves were good.

Kona: In general, rainfall totals were below normal for the district, except for the Keahole airport gage, which recorded more than 400 percent of normal rainfall for the month, much of which occurred in one day. Although rainfall totals were below normal, sufficient and timely precipitation in combination with moisture from the previous month helped to maintain pastures in the district in fair to very good condition, with ample feed on the ground. Even the drier coastal pastures were showing signs of regrowth. Stock water levels were good. Cattle and calves were in fair to good condition.

Kohala: For the most part, rainfall for the district was around 50 percent of normal, this afforded the previously saturated district a chance to dry out. The sunny, warm weather provided the necessary stimulus to benefit most pastures. Although most pastures had an abundance of feed on hand, weed growth continued to spread in several locations. Lower elevation leeward pasture, however, only had dry feed available. Stock water supplies were adequate. Cattle and calves were in good to very good condition.

Hamakua: Frequent, but below normal amounts of rainfall along with sunny periods helped to maintain most pastures in fair to good condition. New grass growth was progressing well, while older feed on pasture was in abundant supply. Stock waters were in good supply. Cattle and calves were in fair to good condition.

Honolulu County

Near to above normal levels of rainfall fell over most agricultural areas. Windward and central sectors received more precipitation than leeward sectors. However, the Waianae rain gage recorded nearly 150 percent of normal rainfall. As a result, most pastures continued in good to very 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 fair to good condition.

Kauai County

Frequent, almost daily rainfall resulted in above normal rainfall totals for all areas of the island. Pastures were in fair to good condition. New grass growth was good, with an abundance of old feed on hand. Cattle and calves were in fair to good condition.

Maui County

Rainfall totals for June were variable, as the Lanai City rain gage recorded more than two and a half inches of rain, while the Kihei 2 gage registered zero rainfall. Many pastures were showing signs of drying out, but ample moisture from earlier in the year has provided for an abundance of old feed, while areas receiving normal rainfall continued to show signs of good new grass growth. Although rainfall totals were down, rains for the year continued at above normal levels. Pastures continued in good to very good condition throughout the county. Ranchers have reported an increase in the spread of Yellow Sugarcane aphids. Cattle and calves were still 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.***

Hogs/Pork

Despite Favorable Returns, Pork Producers Remain Cautious

Although returns to pork producers have been favorable, the **June Quarterly Hogs and Pigs** report indicated that producers remain cautious in their future production plans and reduced the breeding hog inventory. However, since the survey, recent returns are favorable and in July, USDA lowered the projected 2004/05 corn price range to $2.30 to $2.70 per bushel, down 25 cents on each end of the range from June. Based on the expectations of continued favorable returns and moderating corn prices, pork production forecasts for 2004 and 2005 are increased slightly from earlier expectations. Hog prices are expected to average in the mid-to-high $40s per hundredweight (cwt).

Despite a declining breeding inventory, pork production and hog prices are projected to be about the same in 2004 and 2005. The June report indicated a 2-percent decline in the breeding inventory from a year ago and a 1-percent increase in the market hog inventory. Although the number of sows farrowing during December -May was down 1 percent from the same period a year earlier, the pig crop for the period rose 1 percent as more pigs per litter more than offset the lower farrowings. The increase in the June 1 market inventory also reflected increased feeder pig imports from Canada during January-May.

Based on the June 1 market hog inventory, the December-May pig crop, first-half 2004 feeder pig imports, and projected second-half slaughter hog imports, hog slaughter in the second half of 2004 is expected to be about 1 percent higher than in 2003. Dressed weights are expected to increase slightly over a year ago; as a result pork production is expected to be up nearly 2 percent from a year earlier.

If producers' intentions as of June 1 are realized, the number of sows farrowing during June-November will decline about 1 percent from actual farrowings a year ago. Given only a marginal uptick in the number of pigs per litter, the June-November pig crop would be nearly the same as a year ago. Current expectations are that feeder pig imports during June-December will also be near year ago levels. As a result, hog slaughter in the first half of 2005 will be essentially unchanged from a year ago, but expected heavier hogs will boost pork production slightly.

Expectations are that the December 2004 - May 2005 pig crop will be about the same as a year ago. The number of sows farrowing and the number of pigs per litter are expected to remain essentially unchanged from a year earlier. Feeder pig imports are also expected to plateau pointing to a second-half 2005 hog slaughter about the same as projected for this year. Pork production during the period is expected to inch upward due to the continuing slow rise in dressed weights.

Hog prices in 2004 are expected to average $48-$49 per cwt as both domestic and foreign demands remain strong. In June, hog prices were up 21 percent over a year ago while the pork carcass cutout in June was up 18 percent. Meat prices of all major species are running above year-earlier levels. Pork exports in 2004 have likely benefited from trade restrictions on U.S. beef and poultry products imposed by several countries. Hog prices in 2005 are expected to average $45-$49 per cwt, as demand is expected to dampen somewhat from this year.

Cattle/Beef

Cattle Slaughter Weights Rise Seasonally, Market Nervous

Beef supplies remain tight, but the tightest supply/demand situation this year is already past. Demand is softening seasonally and slaughter weights are rising more than seasonally. Weights are rising against very low weights a year ago as cattle were being pulled forward in the absence of cattle imports following Canada's May 20 discovery of BSE. Following the U.S. discovery of a Canadian-born dairy cow in Washington State with BSE, beef supplies in the U.S. remained tight, even as exports to other countries ceased and this beef was worked into the domestic market. Canada and Mexico have resumed importing certain cuts of U.S. beef under 30 months of age, and imports of similar beef into the U.S. increased this spring. Two inconclusive screening tests in late June created a very unsettled market, but further confirmatory testing revealed that both were negative for BSE. Slower summer demand and rising supplies are resulting in a softer market and will keep prices under pressure. The price spread between Choice and Select grade beef has declined from near $18 per cwt in April to less than $2 in early July.

Mid-Year Cattle Inventory Decline Continues

Although the cattle sector may be moving toward expansion, any expansion will have to come from heifers retained from this year's calf crop for breeding in 2005. First-half cow slaughter was down 15 percent from a year earlier. If grazing conditions in the Great Plains and eastern half of the country remain favorable, cow slaughter should continue well under year-earlier levels. Both steer and heifer slaughter are down simply because numbers available for slaughter have been down. This is the first year of real possibility for heifer retention since 1997, and even then declining forage conditions ended expansion expectations since 1998.

Heifer Retention to Tighten Supplies in Late 2004 and 2005

As cow slaughter continues to decline and more heifers are retained, feedlot inventories of market-ready cattle will begin to decline but not before late fall. Cattle-on-feed inventories are likely to be near to above year-earlier levels at mid year, and weights are increasing well above a year ago. While fed cattle marketings are likely to remain below a year earlier, supplies of higher grading beef are increasing and will reduce some of the market pressure to secure supplies. July 1 Cattle on Feed and Cattle reports, to be released by NASS on July 23, will provide the next solid view on producer actions regarding expansion. These reports contain information on heifer retention, heifers on feed and of course the first estimate on the 2004 calf crop. This data will begin to firm estimates of beef supplies later this year and in 2005.

Poultry

Broiler Meat Production Down Slightly in May, but Estimate for Second Quarter Increased

U.S. broiler meat production was up over 5 percent in the first quarter of 2004 and the revised estimate for the second quarter is now 8.525 billion pounds. This is an increase of 10 million pounds from last month and 3 percent higher than in the same period last year. This adjustment pushes the estimate for 2004 to 33.93 billion pounds, an increase of 3.6 percent from 2003.

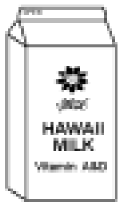
Broiler meat production in May was down less than 1 percent from a year earlier. That decline was the result of 1.7 percent decrease in the number of birds being slaughtered. However, the decrease in the number of birds slaughtered was partially offset by a 1-percent increase in the average liveweight of birds going to slaughter. The decrease in the number of birds going to slaughter can be attributed to the fact that May 2004 had one less working day than in May 2003. This will be reversed for June, with June 2004 having one additional working day than June 2003. Preliminary data point toward a significant increase in the amount of broiler meat produced in June due to a higher number of birds being slaughtered combined with a 1- to 2-percent increase in weight.

Even with second quarter production now estimated to be 3 percent higher than last year, wholesale prices for most broiler products continued to be well above their year earlier levels. Over the first 6 months of 2004, prices for boneless/skinless breast meat averaged nearly $2.06 per pound, up 38 percent from the same period in 2003. Prices for whole birds also increased, with the 12-City composite price averaging 27 percent higher than in the first half of 2003. Leg quarter prices, which more greatly reflect strength in export markets, also rose, even though exports are down. Over the first 6 months of 2004, leg quarter prices averaged 35.1 cents per pound, 61 percent higher than in 2003, but prices in June were about even with May and are expected to decline in July. With broiler production now forecast to be 3.3 percent higher in the third quarter than last year, price increases for most products are expected to slow down. However, prices, for export sensitive parts, like leg quarters, may strengthen if exports resume to major markets like China.

Broiler exports in May were 345 million pounds, down 11 from the previous year and considerably lower than average shipments over the last several years. Over the first 5 months of 2004, broiler shipments were down 11 percent from the same period in 2003. Even though the quantity of broiler exports was lower, it was offset by higher prices. The total value of broiler exports over the first 5 months of 2004 is $640 million, up 23 percent from the previous year. Most of the decline in broiler exports through May has come from lower shipments to Russia, and Hong Kong/China which accounted for 42 percent of all broiler exports in 2003 and through May were down 7 and 71 percent, respectively.

Full text of stories covered above can be found at:
Source: *Livestock, Dairy, and Poultry Outlook, July, 16, 2004, Economic Research Service, United States Department of Agriculture.*
Internet web site: *http://www.ers.usda.gov/publications/ldp/*

JUNE OUTPUT LOWER THAN LAST YEAR

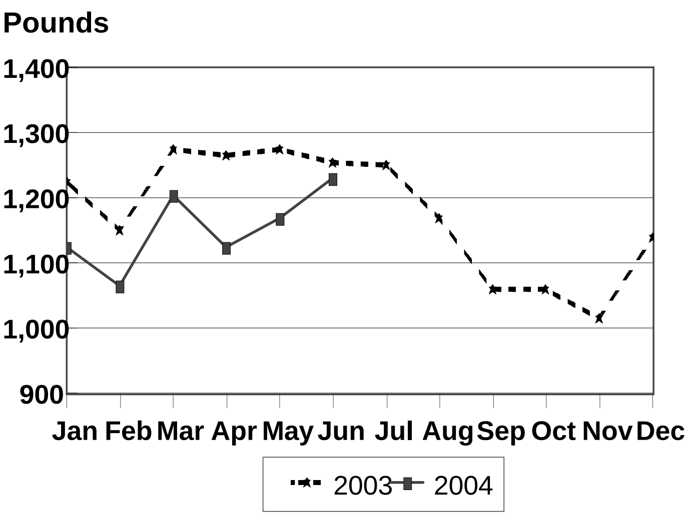


Hawaii's dairy cows produced 7.5 million pounds of milk in June, compared with 7.9 million pounds in June 2003 and unchanged from May 2004. The cow inventory, both dry and in milk, numbered 6,100 head, 200 down from June 2003 and 100 below May 2004. The average output per cow in June was 1,230 pounds, 25 pounds less than the same month last year but 20 pounds greater than the previous month. Production for the first half of this year was 9 percent below the comparable period in 2003, totaling 44.1 million pounds.

U.S. MILK PRODUCTION

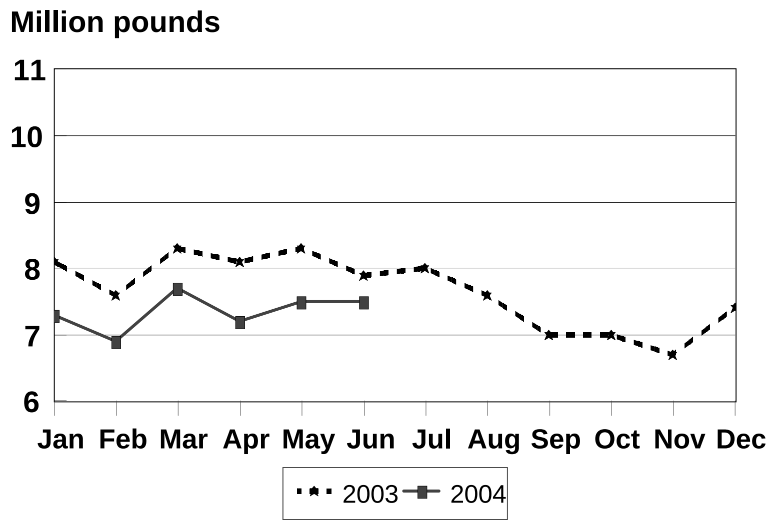
Milk production in the 20 major States during June totaled 12.4 billion pounds, down 0.2 percent from June 2003. May revised production, at 13.0 billion pounds, was down 6 million pounds from May 2003. The May revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,603 pounds for June, 7 pounds above June 2003. The number of milk cows on farms in the 20 major States was 7.74 million head, 44,000 head less than June 2003, but 19,000 head more than May 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, June 2004

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	June 2003	May 2004	June 2004	June 2003	June 2004	June 2003	June 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,100	3,200	3,200	920	940	2,845	3,000	18,345	17,815
Honolulu	3,200	3,000	2,900	1,580	1,550	5,050	4,500	29,900	26,245
State	6,300	6,200	6,100	1,255	1,230	7,900	7,500	48,300	44,100

[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, June 2004

Commodity		June 2003	May 2004	June 2004
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	84.0	86.0	85.0
	- (live weight equivalent)	(46.1)	(47.2)	(46.7)
Cows [1]	*- dressed weight*	50.0	53.0	53.0
	- (live weight equivalent)	(27.5)	(29.1)	(29.1)
Market hogs [1 2]	*- dressed weight*	116.0	117.0	116.5
	- (live weight equivalent)	(87.0)	(87.8)	(87.4)
		dollars per 100 pounds		
Milk [3]		22.70	28.00	29.30
		cents per dozen		
Eggs [4]		97.5	113.0	112.0

[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.