HAWAII AGRICULTURAL
STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FACT FINDERS FOR AGRICULTURE

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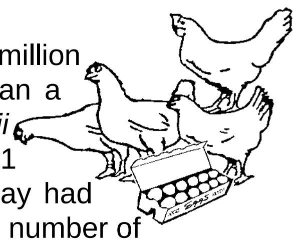
IN THIS ISSUE

AUGUST EGG PRODUCTION UP 4 PERCENT FROM A YEAR AGO



Egg production during August, totaled **10.0** million eggs (27,778 cases), 4 percent more than a year earlier, according to the *Hawaii Agricultural Statistics Service*. An 11 percent increase in the average rate of lay had 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 August 2003 was 505,000, compared with 538,000 a year ago, and 504,000 during July. The average rate of lay was 1,980 eggs per 100 layers (63.9 percent lay rate) compared with 1,784 (57.5 percent) a year ago. Cumulative egg production for the first eight months of 2003 was 1 percent below the same 8-month period in 2002.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.31 billion during August 2003, down one percent from last year. Production included 6.24 billion table eggs and 1.07 billion hatching eggs, of which 1.01 billion were broiler-type and 60.0 million were egg-type. The total number of layers during August 2003 averaged 332 million, down 1 percent from a year earlier. August egg production per 100 layers was 2,201 eggs, up 1 percent from August 2002.

August 2003 contained 21 weekdays, and five Saturdays, compared to August 2002, with 22 weekdays, and five Saturdays.

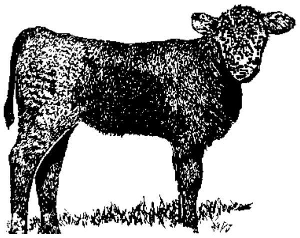
All layers in the U.S. on September,1, 2003, totaled 332 million, down 1 percent from a year ago. The 332 million layers consisted of 275 million layers producing table or commercial type eggs, 54.9 million layers producing broiler-type hatching eggs, and 2.49 million layers producing egg-type hatching eggs. Rate of lay per day on September 1, 2003, averaged 70.6 eggs per 100 layers, down slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.82 billion eggs during August 2003, down one percent from a year ago. The average number of layers during August, at 310 million, was down 2 percent from a year ago.

Number of layers and egg production, State of Hawaii, August 2003 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	129	123	120	1,897	2,179	2.4	2.6	19.2	19.2
Honolulu	409	381	385	1,770	1,910	7.2	7.4	59.4	58.7
State	538	504	505	1,784	1,980	9.6	10.0	78.6	78.0

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



AUGUST MARKETINGS OFF 16 PERCENT FROM A YEAR AGO

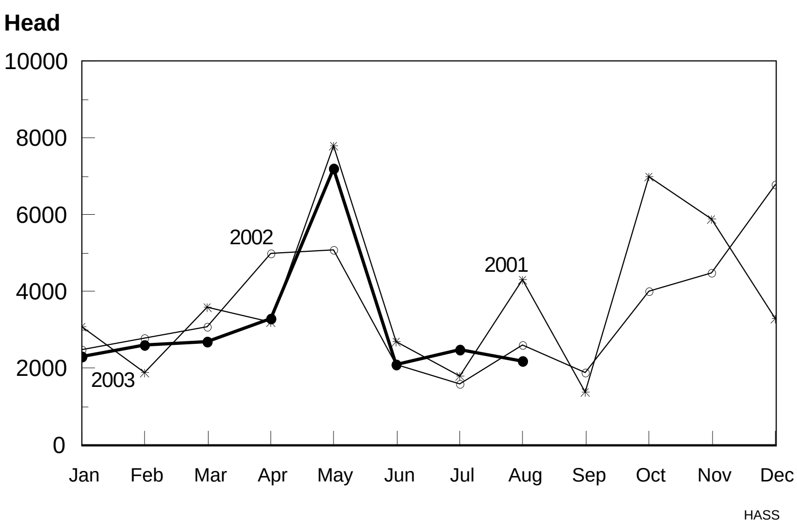
Cattle marketings during August totaled 3,100 head, compared with 3,700 head a year ago and 3,600 head during July 2003. Declines in both out-of-state shipments and local marketings accounted for the 16 percent drop in marketings when compared with a year earlier. Year-to-date marketings of 32,200 head were 2 percent below the same 8-month period in 2002. The number of cattle and calves shipped out-of-State during August totaled 2,200 head compared with 2,600 a year earlier and 2,500 during July. Cumulative out-of-state shipments during 2003 totaled 24,800 head, unchanged from the same period in 2002.

Cattle Marketings, State of Hawaii, August 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
	head								pounds	
August	3,700	3,100	1,500	1,200	1,100	1,000	2,600	2,200	420	450
Year-to-date [4]	32,700	32,200	14,600	14,000	10,200	10,800	24,800	24,800	443	431

[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 (1,100 - 1,300 pounds)	Heifers (1,000 - 1,200 pounds)
from Sioux Falls		
7-12-03	75.00	74.75
7-26-03	76.50	76.75

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

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June Okamura Kauai, Honolulu
Wendell Au Honolulu

COMMERCIAL BEEF PRODUCTION 16 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during August 2003 totaled 545,000 pounds, compared with 646,000 pounds a year earlier. Commercial kill for August 2003 totaled 900 head, 200 fewer than a year ago. Average live weight per head, at 1,060 pounds, was 1 percent lighter than a year ago. Cumulative production for the first eight months of 2003 was 4.2 million pounds, 6 percent less than the same period in 2002.

U.S. BEEF PRODUCTION

Beef production, at 2.33 billion pounds, was 6 percent below the previous year. Cattle slaughter totaled 3.13 million head, down 2 percent from August 2002. The average live weight was down 34 pounds from the previous year, at 1,225 pounds.

PORK PRODUCTION DOWN 18 PERCENT FROM A YEAR AGO

Commercial pork production during August 2003 totaled 377,000 pounds, compared with 461,000 pounds a year ago. Total hog kill of 2,400 head was 400 less than a year ago. Average live weight per head, at 205 pounds, was 6 percent lighter than a year ago. Year-to-date production for the first 8 months of 2003 was 3.1 million pounds, 9 percent less than the same period in 2002.

U.S. PORK PRODUCTION

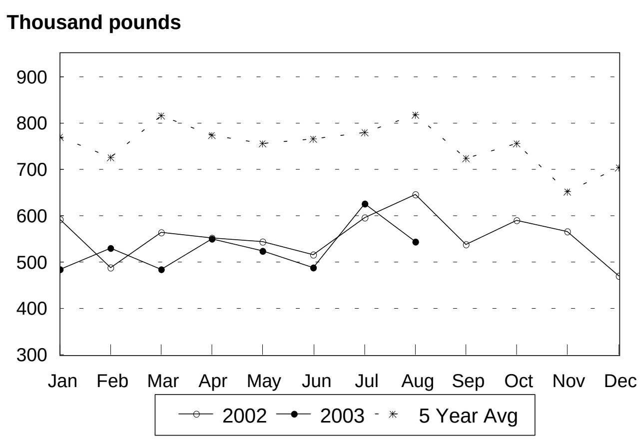
Pork production totaled 1.56 billion pounds, down 5 percent from the previous year. Hog kill totaled 8.04 million head, 6 percent below August 2002. The average live weight was 1 pound above the previous year, at 260 pounds.

Commercial slaughter, State of Hawaii, August 2003 [1]

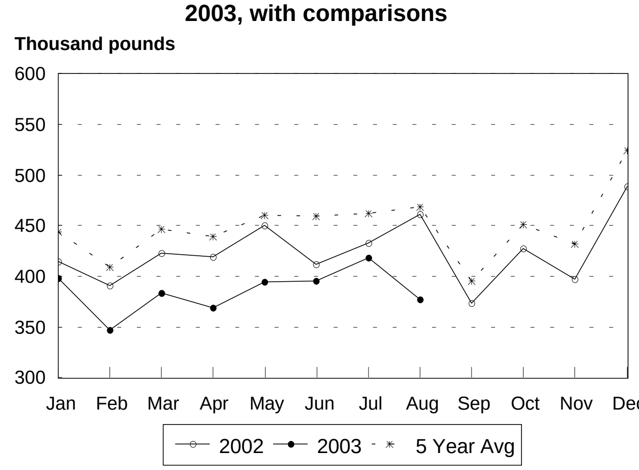
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2002	2003	2002	2003	2002	2003	2002	2003
			pounds		1,000 pounds			
Cattle								
August	1,100	900	1,069	1,060	1,176	992	646	545
Year-to-date	7,900	7,400			8,197	7,711	4,500	4,233
Hogs [3]								
August	2,800	2,400	219	205	615	502	461	377
Year-to-date	21,400	19,500			4,538	4,110	3,404	3,083

[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, SEPTEMBER 1, 2003

Hawaii County

Hilo and Puna: Daily trade wind weather, during August, provided near normal to above normal rainfall totals for the Hilo and Puna areas. Sunny periods along with warm temperatures helped to keep most pastures in good condition. Heavier rainfall totals around the Glenwood and Mountain View areas, however, contributed to slower grass growth. Upper elevation Mauna Kea pastures received some beneficial showers to stimulate light grass growth. The resultant effect from the heavy rains received from Hurricane Jimena on September 1 will be covered in next month's report. Stock water supplies were at adequate levels. Cattle and calves were fair to good condition.

Ka'u: The very dry condition experienced, during August, was interrupted by the rainfall received from the passing of Hurricane Jimena south of the island on September 1. The effect of the rains will be covered in next month's report. As mentioned earlier, rainfall totals were well below normal for the district, leaving pastures in poor condition with only old dry forage available. Most lower elevation pastures were in poorer condition than pastures located at the higher elevations. Stock water supplies were low, necessitating some ranchers to haul water. Most of the cattle and calves were in fair condition. Feeding of supplements were necessary in the drier areas.

Kona: Weather condition was variable for the district. All areas received below normal rainfall, but areas around Central Kona received rainfall totals closer to normal levels, resulting in pastures generating some new grass growth and being in fair condition. North Kona pastures, on the other hand, continued dry and in fair to poor condition, with coastal pastures being very dry. Stock water levels were near normal. Cattle and calves were in fair condition with the feeding of some supplement.

Kohala: In general, leeward exposed pastures continued very dry and in poor condition. Windward pastures received light showers and rainfall amounts nearer normal levels. Most of these pastures were in fair to good condition with an adequate supply of feed. Stock water supplies were adequate. Cattle and calves were in fair to good condition, with some supplement being fed.

Hamakua: Around normal rainfall amounts along with sufficient periods of sunshine provided for beneficial growing conditions for most lower elevation pastures. Grass growth was good resulting in most pastures being in good condition. Upper elevation pastures showed some improvement, but more rainfall was needed to help sustain forage growth. Some water hauling was necessary. Cattle and calves were in fair to good condition.

Honolulu County

Very dry conditions prevailed throughout the month of August, with rainfall totals the lightest along leeward sectors of the island. Windward pastures received slightly more precipitation then the leeward sectors to help maintain pastures in fair condition. Leeward pastures remained mostly dry and in fair to poor condition. In general, year-to-date rainfall amounts ranged between 50 and 75 percent of normal for most agricultural sectors. Cattle and calves were in fair to good condition, with the feeding of supplements.

Kauai County

In general, rainfall totals were below normal for the month, but rain gages along the northeastern sector and at Omao recorded more consistent and almost daily rainfall. Most pastures on the island were in fair to poor condition, with a few in good condition. The year-to-date rainfall totals ranged from 60 to 95 percent of normal for most agricultural sectors. Cattle and calves were in fair to good condition.

Maui County

Mostly dry conditions prevailed, except for the northern exposed areas of Maui which received near normal rainfall amounts and Kula which received over an inch of rain on August 5. Most of the pastures in the county were dry and in poor to fair condition with only some old feed available. A few pastures were in fair to good condition. Some supplements were being fed to the livestock in the drier areas. Cattle and calves were in fair to good condition.

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

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

U.S. AGRICULTURAL OUTLOOK

Hogs/Pork

2003 Pork Production Pulls Almost Even with 2002

Responses to the BSE situation in Canada by the U.S. and Canadian markets have altered expectations for U.S. pork production and trade for the balance of 2003 and the first half of 2004.

Larger U.S. imports of Canadian slaughter hogs is the key factor pushing expected 2003 hog slaughter to 99.3 million head, and pork production to 19.6 billion pounds. Higher than average slaughter hog imports will likely persist through the first half of 2004, lifting estimated slaughter for next year to 98.4 million head, and estimated production to 19.5 billion pounds.

These upward adjustments in estimated slaughter and production leave very little daylight between 2002 slaughter and production, and estimates for this year, and 2004. Only 1 percent fewer hogs are expected to be slaughtered this year than in 2002. Production will likely be off by less than 0.5 percent if heavier year-over-year dressed weights continue for the rest of this year. Hog slaughter and pork production in 2004 are each expected to be less than 1 percent lower than 2003. Thus, breeding herd reductions of 2002 have largely been offset by larger hog and feeder pig imports from Canada, higher dressed weights, and small productivity increases.

U.S. Imports of Canadian Slaughter Hogs Up Sharply

U.S. imports of Canadian slaughter hogs have increased sharply since June. Live hog imports reported by USDA/APHIS indicate that U.S. imports of barrows and gilts for the period June-August 2003 increased 48 percent over the same period of 2002. Larger imports of Canadian slaughter animals is consistent with Canadian slaughter data, which indicate that Federal Slaughter for June-August is more than 7 percent lower than in the same period of 2002. The Canadian data further suggest that slaughter facilities in the western provinces have reduced slaughter numbers the most. For June-August 2003, Manitoba's slaughter is more than 19 percent lower than last year, and Saskatchewan's slaughter was 11 percent lower than last year.

Pork Consumption Lower in Canada in Response to BSE Situation

An important reason for lower Canadian slaughter s and thus a greater supply of exportable hog s could be weak demand for pork by Canadian consumers, since the onset of the BSE situation in late May. It appears that Canadian consumers have increased their consumption of domestic beef as a sympathetic response to the plight of the Canadian beef industry. Lower Canadian pork prices contributed to lower packer margins and subsequent cutbacks in Canadian slaughter, diverting hogs to the United States for slaughter. Larger imports of Canadian slaughter hogs will likely persist, until supply and demand balance has been achieved in Canada, and more normal pork consumption rates resume.

Fallout From Canadian BSE Situation Extends to U.S. Pork Product Imports

Weak consumer demand for pork products in Canada appears to have created attractively priced products for U.S. importers. Despite the lower valued U.S. dollar, June and July imports of Canadian pork products increased 14 percent over the same 2 month period last year. For the first 7 months of 2003, imports of Canadian pork products increased 16 percent over 2002.

Cattle/Beef

Record Beef Prices Allocate Scarce Supplies of Quality Beef

The ban on imports of Canadian beef and cattle from the U.S. and world markets since May 20 when a single cow was discovered to have BSE (Bovine Spongiform Encephalopathy or Mad Cow Disease) exacerbated an already short supply of market-ready cattle. With continued strong beef demand both domestically and internationally, tight beef supplies have resulted in prices moving to record levels to pull fed cattle marketings forward. Slaughter levels have remained relatively high, to maintain beef production levels, but the cost has been sharply reduced slaughter weights and a reduction in the number of higher grading cattle. Renewed imports of Canadian beef from cattle under 30 months of age will help ease the record-setting price situation presently allocating very tight supplies of Choice and Prime beef within the export, hotel-restaurant, and a retail market increasingly demanding more consistent, higher quality beef. Although prices are expected to decline from present levels as Canadian product reenters the market, prices are expected to remain strong as North American cattle inventories continue to decline due to continued drought in many areas.

Recent Rains Raise Hope of Replenishing Forage Supplies

Recent rains throughout most of the country raised hopes for improved grazing conditions and at least some small grain grazing. Substantial rains in late

August should help the Central and Southern Plains in preparation for winter wheat planting. Late summer growth should also help late hay harvests; the next update on this year's hay crop will be released in the October *Crop Production* report. Additional rains and mild fall temperatures for additional pasture growth will be essential for over-wintering even the reduced cattle inventory. Producers in many areas have already been forced to supplement their herds on drought-reduced grazing with hay made earlier in the year.

All Sectors of the Cattle Industry Profitable at Present

Typically, one sector of the cattle sector is profitable at the cost of another sector. At present, however, the ban on Canadian beef imports and the tight supply situation have resulted in industry scrambling to maintain the strong demand for higher quality beef and profits throughout the industry. At issue is how much higher prices can be pushed and still maintain profits in each sector. Clearly at present, some end users are not receiving the quality of beef their patrons have been receiving. Over the past several years satisfaction with higher quality beef has resulted in repeat business even at higher prices. In 1999 and 2000, retail pork prices were about 84 percent of beef prices. As demand for higher quality beef strengthened, this ratio deteriorated to near 80 percent of 2001 and 2002. With the present intense competition for the sharply reduced supply of Prime-Choice beef, the Choice beef/pork retail price ratio has declined to 72 percent. A similar situation has occurred with broilers. In late 1990's the ERS retail young chicken composite price was about 55 percent of the Choice retail beef price. This ratio slipped to 46 to 50 percent in the early 2000's, and this spring the ratio was down to 44 percent. Although profits are extremely favorable throughout the cattle industry, a number of users are now paying extremely high prices for less than desirable quantities, and increasingly of lower quality beef. Select beef prices have also risen rapidly over the past several months reflecting increased demand for all types of beef. Both pork and broiler supplies are expected to be near to above year-earlier levels over the next year, while beef supplies will be declining cyclically, particularly if forage conditions improve and herd expansion begins. Pork and poultry will become increasingly more attractive competitors, particularly to the retail market, if the alternative is a return to the inconsistent "lean beef" of the 1990's.

Quality Beef Supplies Continue to Tighten

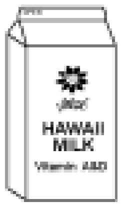
Over the past decade, the North American beef industry has become increasingly coordinated. The two largest beef packers in Canada are also two of the largest packers in the United States. In recent years the United States has imported beef and cattle from Canada, and has exported both to Canada although in smaller quantities. About 8 to 10 percent of U.S. beef supplies are directly (boxed beef) or indirectly (fed cattle for immediate slaughter or feeder cattle for later slaughter) imported from Canada. With cattle herd liquidation occurring in the United States and Canada (as well as Mexico, an important source of feeder cattle) the present tight supply situation for high-quality beef is only going to get tighter until herd expansion results in increased beef supplies. Female slaughter has been large again this year due to dry conditions in many areas, and herd expansion has been put off for at least another year. At present even if more heifers are retained and bred in 2004, beef production will not increase before 2006, and supplies will decline even more in 2004 and 2005. In fact the stronger the expansion signals and the more female stock are retained; the tighter supplies will get over the next couple of years.

Canadian Beef Likely To Be Absorbed Fairly Readily

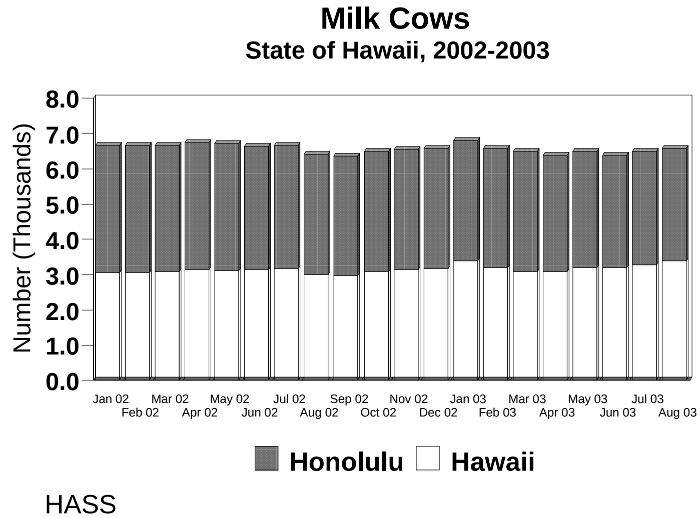
The first loads of Canadian boneless beef from cattle under 30 months of age and veal began to enter the United States in early September. Although the industry is concerned with the reentry of Canadian beef, end users will likely absorb the additional beef fairly easily. Certainly prices will decline from the feverish pace of the past several weeks, particularly for the higher quality beef, but the supply situation will remain very tight once the supplies begin to balance out. Initially larger quantities of higher quality beef are likely to enter from Canada because of their slaughter slowdown since May 20. This will allow fed cattle marketings in the U.S. to slow resulting in more days on feed for cattle in U.S. feedlots, a slowdown in slaughter and additional Prime-Choice beef to meet the growing demand for this product. Once the initial surge of higher quality beef from Canada is exhausted, much of the Canadian beef produced is likely to be lower grade due to the backlog of cattle they need to process. Typically about 50 percent of Canadian beef enters the export market. The U.S. and Mexico have opened their borders for Canadian veal and boneless beef under 30 months of age.

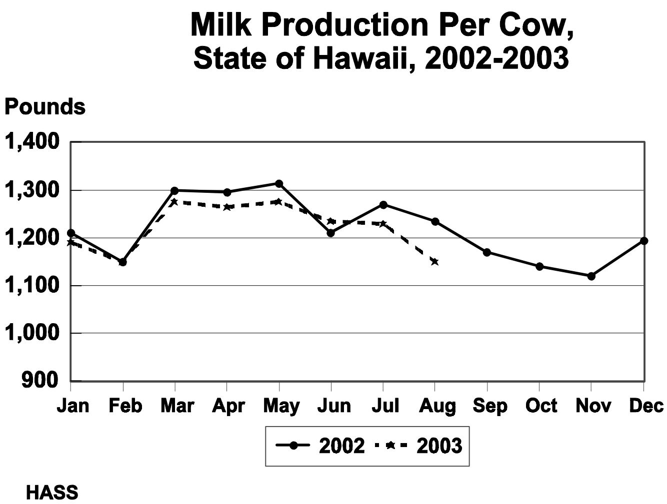
Source: ***Livestock, Dairy, and Poultry Outlook, September 17, 2003, Economic Research Service, United States Department of Agriculture.***

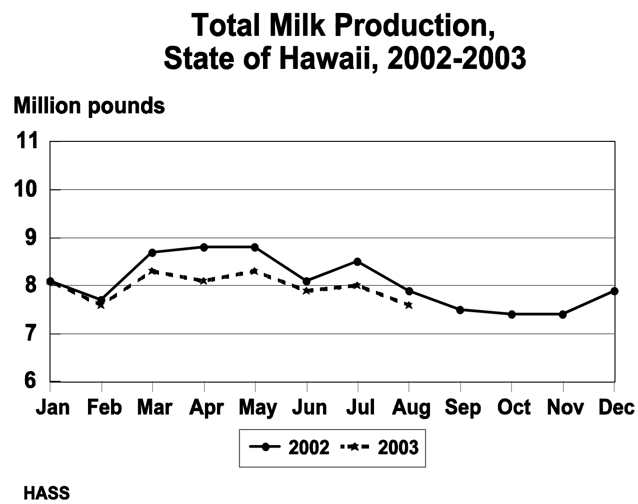
AUGUST MILK DOWN



In August, dairy cows produced 7.6 million pounds of milk, compared to 7.9 million pounds in August 2002 and 8.0 million in July 2003. The cow inventory, both dry and in milk, numbered 6,600 head, 200 above August last year and 100 head more than July this year. The average output per cow is 1,150 pounds in August, 85 pounds less than the same month last year and 80 pounds lower than July this year. Milk production for the first eight months of 2003 totaled 63.9 million pounds, a 4 percent decline from the comparable period in 2002.







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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,020	3,300	3,400	955	825	2,885	2,800	23,645	24,125
Honolulu	3,400	3,200	3,200	1,475	1,515	5,015	4,845	42,955	39,800
State	6,400	6,500	6,600	1,235	1,150	7,900	7,600	66,600	63,900

[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 DOWN 0.8 PERCENT

Milk production in the 20 major States during August totaled 12.1 billion pounds, down 0.8 percent from August 2002. July revised production, at 12.3 billion pounds, was up 0.5 percent from July 2002. The July revision represented a decrease of 5 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,563 pounds for August, 7 pounds below August 2002. The number of milk cows on farms in the 20 major States was 7.76 million head, 26,000 head less than August 2002, and 6,000 head less than July 2003.

Average farm prices, State of Hawaii, August 2003

Commodity		August 2002	July 2003	August 2003
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	78.5	76.0	77.5
	- (live weight equivalent)	(43.1)	(41.7)	(42.5)
Cows [1]	*- dressed weight*	51.5	57.0	55.5
	- (live weight equivalent)	(28.3)	(31.3)	(30.5)
Market hogs [1 2]	*- dressed weight*	117.0	115.0	115.0
	- (live weight equivalent)	(87.8)	(86.3)	(86.3)
		dollars per 100 pounds		
Milk [3]		23.30	22.90	24.40
		cents per dozen		
Eggs [4]		83.0	85.0	86.0

[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.