HAWAII FIELD OFFICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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

FREQUENCY: Monthly RELEASED: October 14, 2005

IN THIS ISSUE

AUGUST EGG PRODUCTION 5 PERCENT BELOW A YEAR AGO

Egg production during August totaled **9.5** million eggs (26,389 cases), 5 percent less than a year earlier, according to the office of the *Hawaii Field Office of USDA's National Agricultural Statistics Service.* The average number of layers on hand during August 2005 was 491,000, compared with 497,000 a year ago and 487,000 during July 2005. The average rate of lay was 1,935 eggs per 100 layers (62.4 percent lay rate) compared with 2,012 (64.9 percent) a year ago. Cumulative production of eggs for the first eight months of 2005 was 77.4 million eggs, 3 percent below the same period in 2004.

U.S. EGG PRODUCTION

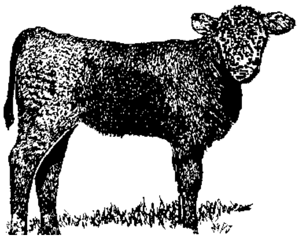
U.S. egg production totaled 7.56 billion during August 2005, up slightly from last year. Production included 6.46 billion table eggs, and 1.10 billion hatching eggs, of which 1.04 billion were broiler-ype and 62 million were egg-type. The total number of layers during August 2005 averaged 341 million, down 1 percent from a year earlier. August egg production per 100 layers was 2,219 eggs, up 1 percent from August 2004.

All layers in the U.S. on September 1, 2005, totaled 341 million, down 1 percent from a year ago. The 341 million layers consisted of 283 million layers producing table or market type eggs, 55.5 million layers producing broiler-type hatching eggs, and 2.68 million layers producing egg-type hatching eggs. Rate of lay per day on September 1, 2005, averaged 71.6 eggs per 100 layers, up 1 percent from August 2004.

Number of layers and egg production, State of Hawaii, August 2005 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
								Year-to-date	
	Aug. 2004	July 2005	Aug. 2005	Aug. 2004	Aug. 2005	Aug. 2004	Aug. 2005	2004	2005
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	123.0	102.1	100.6	2,020	1,795	2.51	1.81	18.90	16.70
Honolulu	374.0	384.9	390.4	2,009	1,969	7.49	7.69	60.80	60.70
State	497.0	487.0	491.0	2,012	1,935	10.00	9.50	79.70	77.40

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



AUGUST MARKETINGS 13 PERCENT BELOW YEAR AGO

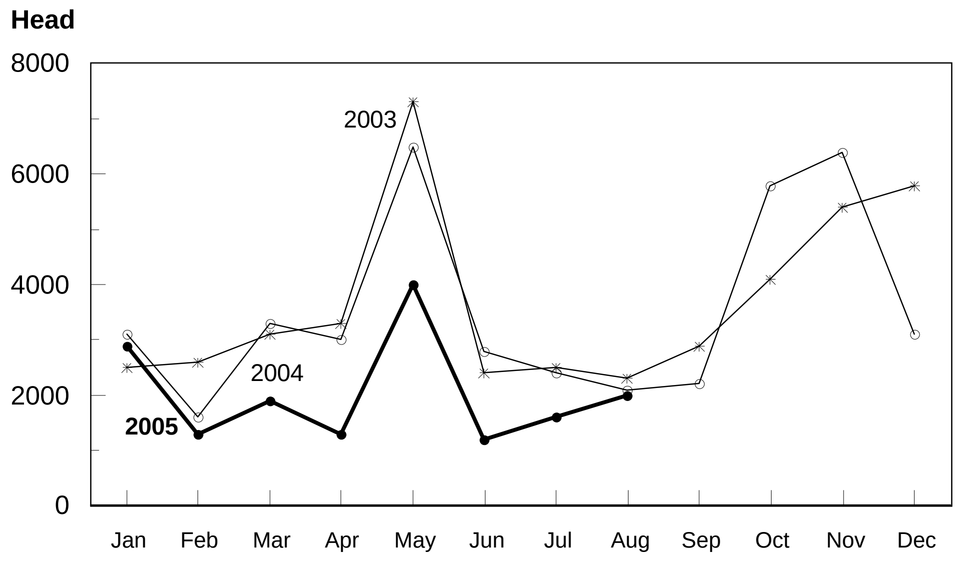
Cattle marketings during August totaled 2,800 head, compared with 3,200 head a year ago and 2,200 head during July 2005. Declines in both out-of-state shipments and local slaughter accounted for the 13 percent drop in marketings. Exports during August 2005 decreased 5 percent from a year ago to 2,000 head. Cumulative marketings for the first two-thirds of 2005 was 24,600 head, a decrease of 23 percent from the same period a year earlier. Year-to-date exports for 2005 was 18,400 head, a decline of 26 percent from the same 8-month period in 2004.

Cattle Marketings, State of Hawaii, August 2005

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
	head								pounds	
August	3,200	2,800	1,100	1,200	1,000	800	2,100	2,000	463	478
Year-to-date [4]	31,900	24,600	14,800	10,000	10,000	8,400	24,800	18,400	449	442

[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, 2003-2005



MARK E. HUDSON
Director
REGINA W. HIDANO
Agricultural Statistician
NILS K. MORITA
Research Statistician

STEVE GUNN
Deputy Director
JOYCE JAY
Statistical Assistant
KAREN A. LEE
Statistical Assistant

Contributing by County
Robert Miyake Hawaii
David Mattice Hawaii
Naomi Landgraf Maui
June Okamura Kauai, Honolulu

COMMERCIAL BEEF PRODUCTION 19 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during August 2005 totaled 504,000 pounds, compared with 625,000 pounds a year earlier. Commercial kill for August 2005 totaled 800 head, 300 fewer than a year ago. Average live weight per head, at 1,106 pounds, was 3 percent heavier than a year ago. Cumulative beef production for the first 8 months of 2005 was 14 percent below the same period a year earlier.

U.S. BEEF PRODUCTION

Beef production, at 2.32 billion pounds, was 8 percent above the previous year. Cattle slaughter totaled 2.99 million head, up 6 percent from August 2004. The average live weight was up 15 pounds from the previous year, at 1,267 pounds.

PORK PRODUCTION 21 PERCENT LESS THAN A YEAR AGO

Commercial pork production during August 2005 totaled 306,000 pounds, compared with 386,000 pounds a year ago. Total hog kill of 1,800 head was 700 less than a year ago. Average live weight per head, at 226 pounds, was 9 percent heavier than a year ago. Year-to-date pork production for the first eight months of 2005 was 13 percent less than the same period in 2004.

U.S. PORK PRODUCTION

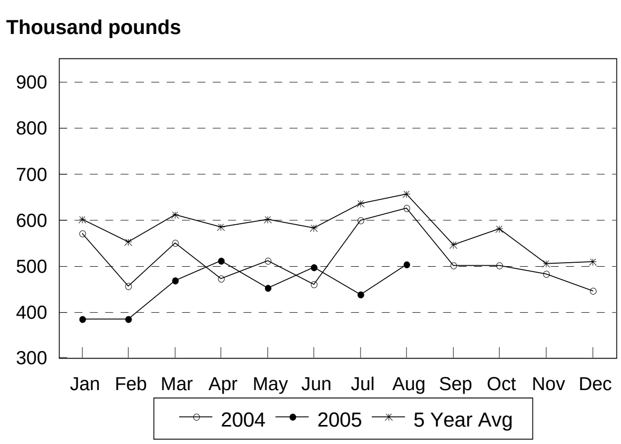
Pork production totaled 1.75 billion pounds, up 3 percent from the previous year. Hog kill totaled 8.98 million head, 3 percent above August 2004. The average live weight was 1 pound above the previous year, at 263 pounds.

Commercial slaughter, State of Hawaii, August 2005 [1]

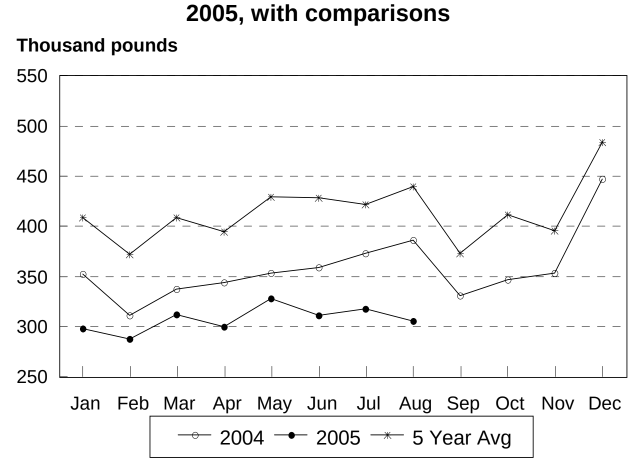
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2004	2005	2004	2005	2004	2005	2004	2005
			pounds		1,000 pounds			
Cattle								
August	1,100	800	1,073	1,106	1,139	918	625	504
Year-to-date	7,100	6,100			7,732	6,635	4,245	3,643
Hogs [3]								
August	2,500	1,800	207	226	515	408	386	306
Year-to-date	18,700	15,500			3,756	3,281	2,817	2,461

[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 2005, with comparisons



Commercial Pork Production, State of Hawaii 2005, with comparisons



PASTURE AND LIVESTOCK CONDITION, SEPTEMBER 1, 2005

Hawaii County

Hilo and Puna: Ample rains during the early part of August helped to sustain pastures as the weather turned dry for the remainder of the month. Most pastures were in fair to good condition in spite of below normal rainfall totals for the month, however, weed growth was on the increase. Cattle and calves were in fair to good condition.

Ka'u: The passing storm earlier in the month provided some much need precipitation for the district. Pastures in the northeastern sector of the district benefitted much more than those located in the southern sectors. Above normal rainfall and improved soil moisture levels had most northeastern pastures in fair to good condition. Drier conditions in the southern locations kept most pastures in fair to poor condition with an increase in weed growth prevalent at the lower elevations. Stock water supplies had been replenished in most areas. Cattle and calves were in good condition.

Kona: Kona pastures again benefitted from near normal to above normal rainfall totals. However, much of this rainfall occurred during the early part of the month. Most South Kona and upper elevation pastures (which continued to receive light showers during the remainder of the month) were in fair to good condition, while many North Kona and lower elevation pastures were dry and in fair to poor condition by month's end. Most grazing areas had an adequate supply of forage on hand. Stock water levels were adequate. Cattle and calves were in fair to good condition.

Kohala: As in the previous month, rainfall totals for the district continued variable. Rainfall totals were heavier over the South Kohala sectors then over the North Kohala areas. Even the normally dry areas of South Kohala received above normal rainfall. In general, most pastures were in fair to good condition. Most lower elevation pastures shown some regrowth, but were still dry and in poor condition. The infestation of the Senecio and Pennisetum weed continue to spread to more grazing areas. Cattle and calves were in fair to good condition.

Hamakua: Above normal precipitation benefitted most lower to mid elevation pastures, while lighter showers at the higher elevations were of little help to pasture growth. Most pastures were in fair to good condition. Stock water supplies at the higher elevations were low, resulting in some water hauling. Cattle and calves were in fair to good condition.

Honolulu County

Dry weather prevailed during the month of August. Rainfall totals for almost all agricultural sectors were below 50 percent of normal. Nearly all grazing areas were in fair to poor condition, with most windward and central Oahu in better condition than leeward locations. Brush fires in leeward Oahu resulted in the loss of some pasture land. Cattle and calves were in fair to good condition.

Kauai County

On the average, conditions were drier on Kauai than on Oahu as all rain gages recorded rainfall total below 50 percent of normal for August. The diminished amount of rainfall resulted in drier pastures, which were in fair to poor condition. Cattle and calves were in fair to good condition.

Maui County

Rainfall totals for the county were variable. In general, most windward locations received more precipitation than leeward areas. But the warm, sunny weather combined with the limited rainfall to limit pasture growth throughout the island. In general, pastures ranged from poor to good condition with most pastures having an adequate supply of dry feed available. 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

Cattle/Beef

Cattle/Beef Prices Decline But Remain Resilient As Supplies Increase

Demand for high quality beef remains strong, and supplies of beef grading Choice or higher continue relatively tight. The Choice/Select boxed beef price spread was averaging $11 to $12 per cwt in mid-September, up from $4 in September 2004. Third-quarter beef production is expected to increase about 5 percent over third quarter 2004 and 8 percent above second-quarter 2005 due to increased fed cattle slaughter and heavier slaughter weights. Canadian cattle under 30 months of age began coming into the United States in mid-July and are also adding to production. Steers and heifers for immediate slaughter rose to 12,408 the week ending September 3. In 2004, production increased less than 2 percent from the second to the third quarter. Heavy slaughter weights and larger numbers of cattle on feed over 120 days typically suggest overweight cattle and problems. However, the market increasingly appears to be demanding more consistent, higher quality beef. The number of cattle on feed on August 1, in feedlots with over 1,000 head of capacity, was 2 percent larger than a year earlier, remaining well above a year earlier. In addition, the number of cattle on feed more than 120 days continues large. However, the proportion of cattle grading Choice or better in August was below year-earlier levels, and, given the Choice price premium over Select, is below market demand. However, slaughter weights and beef supplies have been rising since early spring; and fed cattle, boxed beef, and retail beef prices have been declining to buy back market share and move the additional supplies.

Retail prices for Choice beef peaked in April-May at $4.26 a pound and have declined this summer to move the seasonally larger quantity of beef. Retail prices have declined since May and in July and August averaged $3.99 a pound, down from $4.11 a year ago, but up from $3.74 in August 2003. Per capita consumption this summer is expected to rise to near 18 pounds, up from 16.9 pounds the past 2 years. The market continues to move toward equilibrium, but also is demanding a higher quality product. Although Hurricane Katrina has been very disruptive to petroleum markets, nationally, the major consumer concern is that an already tight petroleum situation worsens and forces prices even higher. One of the major issues is the impact, along with rising interest expenses, on consumer expenditures, particularly with the winter home heating season approaching.

Stocker Cattle Prices Remain Strong

Prices for stocker/feeder cattle remain strong as supplies tighten cyclically. However, prices for lighter weight stocker cattle have remained unusually strong even as feedlot margins moved into the loss column this summer. Margins were positive this past spring, but turned negative this summer, and prospects remain negative this fall. Feed costs remain favorable, with the latest *Crop Production* report indicating a 289-million-bushel increase in the corn crop from the August estimate, to 10.639 billion bushels. The corn price estimate range for 2005/2006 has been lowered 10 cents to $1.70 to $2.10 a bushel, down from $2.06 last year and $2.42 2 years ago. Higher stocker/feeder cattle prices and favorable feed costs have encouraged cattle feeders to put more weight on cattle, and the additional premium on Choice cattle makes more days on feed even more attractive.

Lighter-weight stocker cattle prices have remained very strong as moisture conditions have improved in most areas, raising the outlook for cow-calf-yearling winter-grazing options. In addition, recent rains in the High Plains winter wheat grazing regions of Kansas, Oklahoma and Texas improved the prospects for wheat grazing and increased the demand for lighter-weight stocker cattle.

Dairy

Good Dairy Demand Soaks Up Production Surge

Expansion in milk output is now well established, and only modest deceleration is expected in 2006. This year, robust domestic and foreign demand are expected to absorb the extra supplies with only about a $1 per cwt decline in farm milk prices from the 2004 record. Price declines are expected to be larger in 2006, as demand growth may not be able to handle the second straight large increase in milk output.

This summer saw strong expansion in milk production solidly established. Milk cow numbers continued to creep higher, while growth in milk per cow was near the long-run trend for the first time in over 3 years. Record 2004 returns, only slightly lower 2005 returns, and the resumption of near-normal availability of bovine somatotropin (BST) were the prime boosters of milk output. These forces easily overcame tight heifer supplies, forage problems, and hot summer weather in many key areas.

July milk cow numbers in the 23 major States were up about 0.6 percent from a year earlier, very similar to the spring increases. In both years, cow numbers crept higher as new and expanded operations came into production and found enough heifers to gradually move up to capacity. Meanwhile, the exit rate reportedly has stayed quite low as prices have not decreased enough to encourage weaker producers to give up.

Demand for dairy heifers continues to outstrip supplies. The mid-year inventory data showed about 1 percent more replacement heifers than a year earlier. Even so, dairy replacements were a record $1,830 per head in July, up more than $100 from a year earlier. The difference between replacement and slaughter values was only slightly lower than the 2002 records. Replacement heifer prices are likely to stay very high as long as milk prices remain robust. Heifer supplies probably will expand a little because of the recent higher prices, but significant expansion of heifer supplies from current levels is difficult. A few more animals would be available for growing operations when the number of farm exits picks up. But, prospective milk prices indicate that this will not be until well into the future.

Hay supplies are somewhat tight, and summer prices have been relatively quite strong. Production in the Northwest has been hurt by a lack of water for irrigation, with western supplies of dairy-quality hay further affected by strong export demand. Many northern dairy areas had a light second cutting, although the quality is reported to be good. This was the reverse of first-cut conditions when yield was good but quality spotty.

Forage supplies and prices might give some expanding producers slight pause but are not likely to have a substantial effect. The incentives for expansion are too robust for hay conditions to play a significant role. Also, the reportedly heavy early buying may result in relatively modest seasonal rises in hay prices. The more important impact of hay conditions might be on milk per cow. Growth in milk per cow may vary during the feeding season as farmers shift from good to poorer forage. Depending on the size and quality of late cuttings, there may also be a risk of producers running out of even mediocre hay by late spring 2006.

Milk per Cow Bounces Back

July milk per cow in the 23 States jumped almost 4 percent from a year earlier, following a 5-percent gain in June. Hot summer weather over much of the country had some depressing impact but more available BST, strong incentives for heavy concentrate feeding, and a return to more normal culling easily overrode the weather effects. Compared with the 5-year moving average, expansion in milk per cow was at an annual rate of more than 2 percent in June and July, in line with the long-run trend. Such rates have been fairly rare in recent years.

Growth in milk production is expected to be brisk during the rest of 2005. The effects of strong returns probably will push milk cow numbers slowly higher, although the cooperative cow buyout may provide some interruption. Brisk gains in milk per cow are likely, as relative prices of milk and concentrate feeds are projected to be conducive to heavy concentrate feeding. A projected expansion of almost 4 percent in second-half output would bring the increase for all of 2005 over 3 percent, the largest rise since 1999 and possibly the largest in two decades. Milk cow numbers are projected to average fractionally higher, while milk per cow increases more than 3 percent on a daily average basis.

Somewhat lower returns in 2006 are expected to slow the expansion a little, but relatively brisk growth is projected to persist throughout the year. Cow numbers are projected to post another fractional increase, as expanding producers begin to be partially offset by a few more exiting farmers. The large effect of BST's return on the year-to-year increases will dissipate after early 2006. For the year, milk per cow is expected to gain about 2 percent.

Hogs/Pork

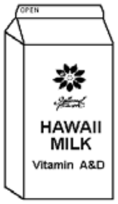
Hog Slaughter Increasing Seasonally

The week of September 3 recorded the first 2-million-plus federally inspected hog slaughter since last February, and likely represents the beginning of the period of seasonally heavy hog slaughter. Weekly slaughters of 2 million head or more, until the end of the calendar year, are incorporated into USDA's fourth-quarter pork production forecast of about 5.5 billion pounds. Fourth-quarter hog prices will likely range between $40 and $42 per cwt. The third-quarter is expected to end with pork production of nearly 5.1 billion pounds, and an average hog price of between $49 and $50 per cwt. USDA will release the *Quarterly Hogs and Pigs* report on September 30, 2005.

August retail pork prices were $2.82 per pound, down slightly from $2.84 per pound in July. Retail beef prices were also marginally lower than a month ago, at $3.992 per pound. The USDA Retail Chicken Composite price increased about a penny to $1.74. Lower retail pork prices reflect slightly higher third quarter pork supplies, as well as continued adjustment to lower beef retail beef prices.

Full text of stories covered above can be found at:
Source: Livestock, Dairy, and Poultry Outlook, September 16, 2005, Economic Research Service, United States Department of Agriculture.
Internet web site: http://www.ers.usda.gov/publications/ldp/

AUGUST PRODUCTION LOWER

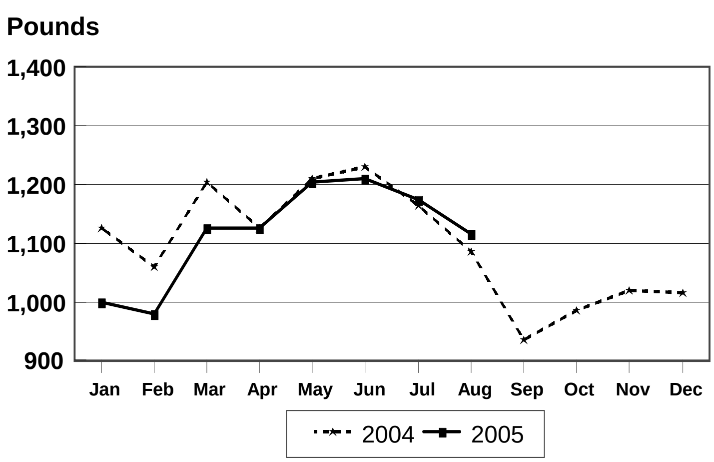


In August, Hawaii's dairy cows produced 5.9 million pounds of milk compared with 6.4 million pounds during August last year and 6.1 million pounds during July this year. The dairy herd consisting of dry and milking cows totaled 5,300 head, down 600 from August 2004 but up 100 from July 2005. The average output for cows was 1,115 pounds for August, increasing 30 pounds from August 2004 but decreasing 60 pounds from July 2005. Production for the first eight months of 2005 totaled 48.7 million pounds, falling 15 percent from the comparable period in 2004.

U.S. MILK PRODUCTION

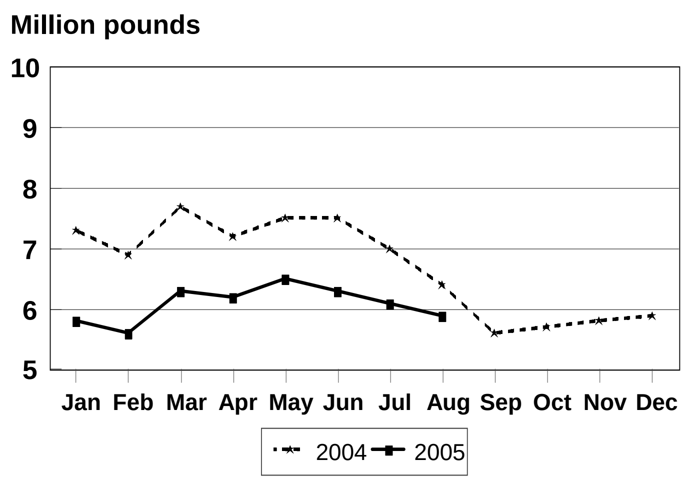
Milk production in the 23 major States during August totaled 13.6 billion pounds, up 4.6 percent from August 2004. July revised production, at 13.7 billion pounds, was up 4.2 percent from July 2004. The July revision represented a decrease of 6 million pounds from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,665 pounds for August, 64 pounds above August 2004. The number of milk cows on farms in the 23 major States was 8.15 million head, 52,000 head more than August 2004, and 9,000 head more than July 2005.

Milk Production Per Cow, State of Hawaii, 2004-2005



USDA, NASS

Total Milk Production, State of Hawaii, 2004-2005



USDA, NASS

Milk cows and milk production, State of Hawaii, August 2005

County	All milk cows [1,2]			Milk per cow [2]		Milk production [2]			
	Aug. 2004	July 2005	Aug. 2005	Aug. 2004	Aug. 2005	Aug. 2004	Aug 2005	Year-to-date 2004	Year-to-date 2005
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
State	5,900	5,200	5,300	1,085	1,115	6,400	5,900	57,500	48,700

[1] Includes dry cows and cows on non-commercial dairy farms.
[2] Figures for 2005 are preliminary.

Average farm prices, State of Hawaii, August 2005

Commodity		August 2004	July 2005	August 2005
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	87.5	92.5	91.0
	- (live weight equivalent)	(48.0)	(50.8)	(50.0)
Cows [1]	*- dressed weight*	50.0	52.0	52.0
	- (live weight equivalent)	(27.5)	(28.5)	(28.5)
Market hogs [1,2]	*- dressed weight*	120.0	118.0	118.0
	- (live weight equivalent)	(90.0)	(88.5)	(88.5)
		dollars per 100 pounds		
Milk [3]		25.10	26.50	26.90
		cents per dozen		
Eggs [4]		107.5	91.0	88.0

[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.