HAWAII AGRICULTURAL STATISTICS

NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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

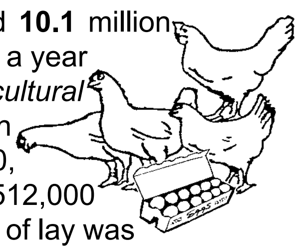
U.S. DEPARTMENT OF AGRICULTURE
Phone: (808) 973-9588
FAX: (808) 973-2909

FACT FINDERS FOR AGRICULTURE

FREQUENCY: Monthly | RELEASED: February 23, 2005

IN THIS ISSUE

DECEMBER EGG PRODUCTION 4 PERCENT ABOVE YEAR AGO



Egg production during December, totaled **10.1** million eggs (28,056 cases), 4 percent more than a year earlier, according to the *Hawaii Agricultural Statistics.* The average number of layers on hand during December 2004 was 512,000, compared with 482,000 a year ago and 512,000 during November 2004. The average rate of lay was 1,973 eggs per 100 layers (63.6 percent lay rate) compared with 2,012 (64.9 percent) a year ago. Cumulative production for the calendar year of 2004 was 118.9 million eggs, 2 percent above 2003.

U.S. EGG PRODUCTION

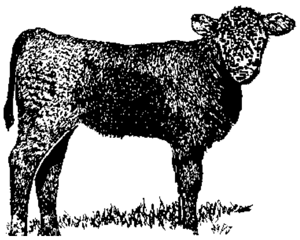
U.S. egg production totaled 7.70 billion during December 2004, up 2 percent from last year. Production included 6.62 billion table eggs, and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 62 million were egg-type. The total number of layers during December 2004 averaged 345 million, up 2 percent from a year earlier. December egg production per 100 layers was 2,235 eggs, up 1 percent from December 2003.

All layers in the U.S. on January 1, 2005, totaled 346 million, up 3 percent from a year ago. The 346 million layers consisted of 287 million layers producing table or market type eggs, 56.2 million layers producing broiler-type hatching eggs, and 2.72 million layers producing egg-type hatching eggs. Rate of lay per day on January 1, 2005, averaged 71.3 eggs per 100 layers, up slightly from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Dec. 2003	Nov. 2004	Dec. 2004	Dec. 2003	Dec. 2004	Dec. 2003	Dec. 2004	Year-to-date 2003	Year-to-date 2004
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	112.0	125.3	124.7	2,092	1,788	2.30	2.30	28.69	27.63
Honolulu	370.0	386.7	387.3	2,003	2,021	7.40	7.80	88.21	91.27
State	482.0	512.0	512.0	2,012	1,973	9.70	10.10	116.90	118.90

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



DECEMBER MARKETINGS 43 PERCENT BELOW YEAR AGO

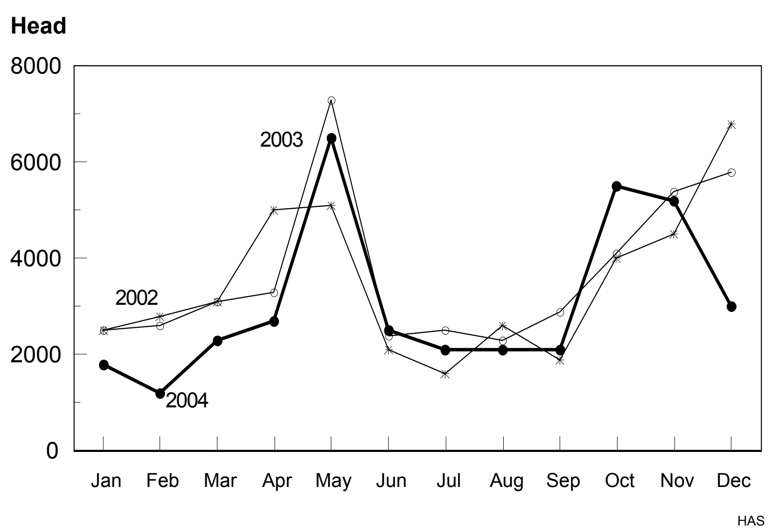
Cattle marketings during December totaled 3,700 head, compared with 6,500 head a year ago and 6,100 head during November 2004. All of the decrease in marketings was the result of fewer out-of-state shipments as local commercial slaughter was up slightly. Exports during December 2004 decreased 48 percent from a year ago to 3,000 head. Cumulative marketings for 2004 was 47,500 head, a decrease of 14 percent from the same period a year earlier. Exports for 2004 was 37,000 head, a decrease of 16 percent from 2003.

Cattle Marketings, State of Hawaii, December 2004

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	head								pounds	
December	6,500	3,700	3,600	1,400	2,200	1,500	5,800	3,000	423	428
Year-to-date [4]	55,000	47,500	25,500	22,000	18,700	15,000	44,200	37,000	431	432

[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		
10-02-04	81.25	81.00
10-16-04	81.25	82.75

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

COMMERCIAL BEEF PRODUCTION 1 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during December 2004 totaled 446,000 pounds, compared with 441,000 pounds a year earlier. Commercial kill for December 2004 totaled 800 head, 100 more than a year ago. Average live weight per head, at 1,047 pounds, was 2 percent lighter than a year ago. Beef production for 2004 was unchanged from 2003.

U.S. BEEF PRODUCTION

Beef production, at 2.04 billion pounds, was 3 percent above the previous year. Cattle slaughter totaled 2.69 million head, up 1 percent from December 2003. The average live weight was up 24 pounds from the previous year, at 1,268 pounds.

PORK PRODUCTION 2 PERCENT ABOVE A YEAR AGO

Commercial pork production during December 2004 totaled 447,000 pounds, compared with 440,000 pounds a year ago. Total hog kill of 3,000 head was 100 more than a year ago. Average live weight per head, at 202 pounds, was 1 pound heavier than a year ago. Pork production for 2004 was 6 percent below 2003.

U.S. PORK PRODUCTION

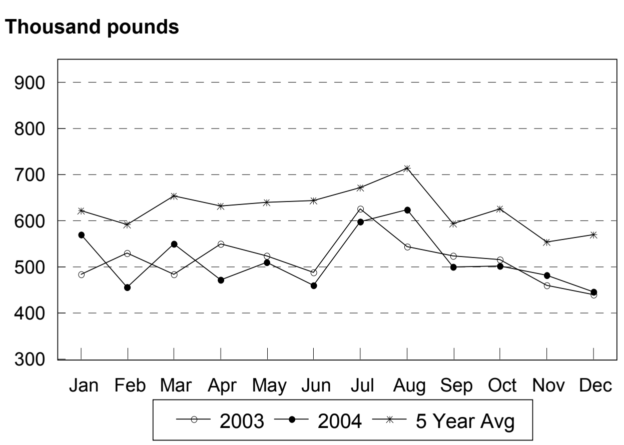
Pork production totaled 1.86 billion pounds, down 1 percent from the previous year. Hog kill totaled 9.25 million head, 1 percent below December 2003. The average live weight was 1 pound above the previous year, at 270 pounds.

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

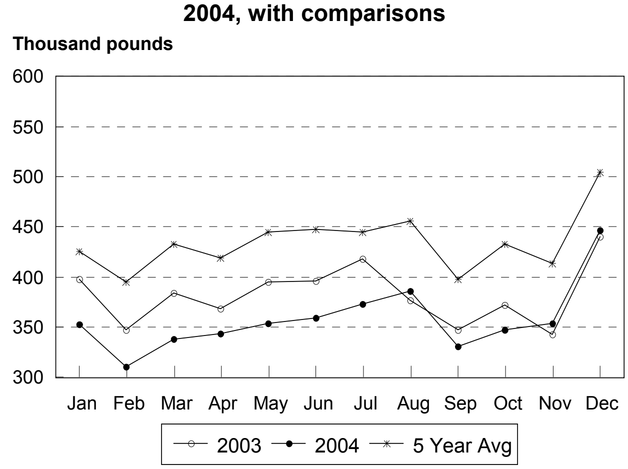
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			pounds		1,000 pounds			
Cattle								
December	700	800	1,073	1,047	803	813	441	446
Year-to-date	10,800	10,500			11,250	11,250	6,176	6,176
Hogs [3]								
December	2,900	3,000	201	202	587	596	440	447
Year-to-date	29,300	28,300			6,112	5,728	4,584	4,296

[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, JANUARY 1, 2005

Hawaii County

Hilo and Puna: Although rainfall totals were below normal for the month of December, timely showers helped to sustain most pastures in good condition. However, many of the pastures at the upper elevations were progressing slowly because of shorter days, cool temperatures and cloudy conditions. Cattle and calves were in good condition. Rainfall totals for the year ranged from 75 percent of normal at the Piihonua gage to 109 percent at the Hilo airport rain gage.

Ka'u: Rainfall for the month was at 50 percent or less, however, carry over moisture from previous months helped to sustain pasture conditions at fair to good. Many areas received some much needed additional precipitation during the second half of the month. Cattle and calves were in good condition. Year-to-date rainfall totals were near (as low as 95 percent) to above normal (up to 178 percent).

Kona: Percentage wise, rainfall amounts in the Kona district was the lowest for any area in the State, during December. Rainfall ranged from a low of 2 percent at the Puuwaawaa and Keahole airport rain gage to a high of 81 percent at the Waiaha gage. Because of the drier conditions, grass growth on most Kona pastures had slowed and forage supplies were drying. Some ranchers also reported an increase in weed growth. Most pastures were in fair to good condition. Cattle and calves were also in fair to good condition. Because of a wetter than normal spring and summer, all rain gages in the Kona district recorded above normal rainfall totals for the year.

Kohala: Except for the Waikii rain gage which recorded rainfall at 172 percent of normal, all other rain gages in the Kohala district registered rainfall amounts well below normal. Much of the rainfall occurred during the first half of the month with the second half of the month being relatively dry. Pastures, however, were still in fair to good condition. Many areas benefitted from precipitation, which occurred months earlier. Although some pastures were dry, most pastures had sufficient amounts of old dry feed on hand. Cattle and calves were in fair to good condition. Rainfall totals for 2004 were above normal for all rain gages, except for the Kahua Ranch gage which recorded rainfall amounts at only 80 percent of normal.

Hamakua: Moderate to heavy showers combined with sufficient periods of sunshine helped to stimulate and maintain good grass growth. Most pastures in the district had an abundant supply of forage and were in fair to good condition. Cattle and calves were in fair to good condition. The Honokaa rain gage reported receiving rainfall at 153 percent of normal for 2004.

Honolulu County

Rainfall totals were mixed for the month of December. Most rain gages on the island recorded below normal rainfall totals, except for the northern tip of Oahu, the Waianae district and portions of central Oahu, which received above normal rainfall totals. In general, pasture conditions were rated good to excellent, with some low lying pastures in soggy condition. The wet winter combined with periods of sunshine, resulted in many grazing areas with an abundance of green forage. Cattle and calves were mostly in good condition. Rainfall totals for the year were above normal for agricultural areas, except for the Waihee pump gage, which came in at 94 percent.

Kauai County

Except for portions of northern Kauai, the island generally received above normal rainfall amounts. Most pastures were still in fair to good condition, but the cool, wet, overcast winter conditions had slowed pasture development. Cattle and calves were in good condition. Most rain gages recorded above normal rainfall totals for the year. However, the Hanalei rain gage recorded only 89 percent of normal rainfall for 2004.

Maui County

Weather for Maui County was generally drier than the other smaller northern islands. Rainfall totals ranged from 37 percent at West Wailuaiki to 158 percent at the nearby Hana gage. In general, the loss of normal trade wind weather resulted in a drier December. Although most pastures had sufficient feed; lower elevation leeward pastures were dry, while upper elevation pastures suffered from slow growth due to overcast skies and cool temperatures. Pasture conditions ranged from fair to good. Cattle and calves were in good condition. Only the Haiku rain gage recorded below normal rainfall for the year at 93 percent of norm, while all of the other rain gages recorded above normal rainfall amounts.

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.***

Cattle/Beef

BSE Minimal Risk Regulations Released for Beef and Cattle Imports

The cattle/beef sector has had major adjustments the last 2 years. With the discovery of a dairy cow in Canada with Bovine Spongiform Encephalopathy (BSE) on May 20, 2003, cattle and beef imports from Canada were banned from international trade. The United States allowed boneless beef from cattle slaughtered under 30 months of age to be imported from Canada beginning August 8, 2003. Mexico approved imports from Canada shortly thereafter, under similar guidelines. On December 23, 2003, a dairy cow, born in Canada, was discovered in Washington State. Imports from the United States were banned following the BSE announcement. Subsequently, trade was re-opened with Canada and then Mexico resumed importing under the same conditions set up with Canada. A number of additional countries have since resumed trade with the United States.

The U.S. Department of Agriculture is in the process of amending the Code of Federal Regulations by establishing a category of regions that present a minimal risk of introducing BSE into the United States. It will set forth the factors to be considered when listing a region as one of minimal risk, as well as required risk-mitigating measures. The rule lists Canada as the only minimal-risk region at this time. Future requests received from other regions to be listed in this category will be evaluated. The rule was published in the *Federal Register* on January 4, 2005, and will be effective March 7, 2005. The rule establishes regulations for the resumption of Canadian live cattle trade, it allows for cattle to be placed in U.S. feedlots under restricted conditions and slaughtered under 30 months of age, and cattle under 30 months of age to be imported for immediate slaughter. The rule also provides regulations for importing beef from cattle over 30 months of age. The rule can be viewed at http://www.aphis.usda.gov/lpa/issues/bse/03-080-3_final_rule.pdf

Canadian Cattle Bubble

Trade restrictions due to BSE and a small population base have resulted in a rapid accumulation of Canadian cattle inventories over the past 2 years. The July 1, 2004, Canadian cattle inventory data indicate the inventory was 16.8 million head, up 1.1 million head, 6 percent from a year earlier and up 1.4 million head, 9 percent, from 2 years ago. Cows and heifers that had calved were up 8 percent from a year ago and up 9 percent from 2 years ago. The January 1, 2005, *Canadian Cattle* inventory will be released February 17, 2005, with the only uncertainty being how much the inventory increased.

Canada's cattle slaughter sector is operating just short of 75,000 head per week comprised of approximately 65,000 head of fed cattle and about 10,000 head of nonfed cattle, largely cows. At the present time Canada cannot export cattle, but can export beef from cattle under 30 months of age to the United States, Mexico, and a few other countries. Canada simply has accumulated more cattle than it can handle. Cow slaughter and value are down sharply because it can be used only for domestic consumption.

In contrast, cattle slaughter in the United States is down sharply due to liquidation since 1996 and the beginning movement toward herd expansion with cow slaughter near cyclical lows of 5.1 to 5.2 million head. Total cattle slaughter was down nearly 8 percent in 2004 with sharply reduced slaughter plant capacity utilization. Fed cattle prices averaged a record $84.75 per cwt in 2004, about unchanged from 2003. Feeder cattle prices averaged a record $104.76 per cwt, up $15 per cwt from a year earlier. Similarly, cull Utility cow prices averaged a record $52.35 per cwt, up from $46.62 in 2003. Due to bans on importing U.S. beef, exports from the United States declined from a record 2.5 billion pounds in 2003 to an expected 434 million pounds in 2004. Consequently, per capita beef consumption rose to 65.9 pounds, up a pound from 2003. Retail prices for Choice beef remained strong in 2004, setting a record of $4.07 a pound, up over 8 percent from 2003's $3.75 a pound.

The new minimal-risk rule going into effect March 7, 2005, is expected to result in a major change in cattle movements in Canada. The relative value of fed cattle versus slaughter cows is going to swing in the favor of a larger proportion of cows being slaughtered in Canada. The cows and cow beef only have value of any significance if it can be exported to the United States as well as other markets. Fed cattle will be displaced by low-priced cows in Canadian slaughter plants and those displaced fed cattle will be shipped to underutilized U.S. slaughter plants. In addition, feeder cattle can be imported to specific U.S. feedlots, but must be slaughtered under 30 months of age.

Prices in Canada due to the trade constraints are well below U.S. prices, in some instances sharply below, with few market alternatives: http://www.ams.usda.gov/mnreports/WA_LS718.txt In early January Canadian slaughter cows, in very light trade, were averaging near $15 per cwt, while Utility boning slaughter cows in the United States were averaging in the low $50s. Similarly, yearling feeder cattle in Canada were averaging in the mid $70s, while similar weight cattle in the United States were averaging near $105 per cwt. Prices will become more harmonized over the next year, with much of the change resulting in Canadian prices rising.

Cattle Slaughter, On-Feed Inventories, and Beef Production To Rise

With strong beef demand in the United States and cyclically tight supplies, eligible Canadian cattle and beef will be in strong demand; particularly at the relatively lower prices. Increased Canadian cattle imports are expected to add about 6 percent, 1.25 billion pounds, to beef production in 2005. Compared with last month, feeder cattle placements are likely to rise about 500,000 head, with progressively larger numbers being marketed in the second half of the year. Fed cattle for immediate slaughter and the increased number of fed cattle marketings due to Canadian feeder cattle imports are expected to add about 1.63 million cattle to slaughter this year, compared with last month's forecast.

As the bubble of excess Canadian cows and feeder cattle are worked off through early 2006, trade between the United States and Canada will begin to return to more normal patterns. However, until the Canadian cow inventory comes into balance with slaughter capacity, relative prices will continue to favor cow slaughter in Canada relative to fed cattle slaughter. As always, weather conditions affecting forage growth and grain production will influence the final distribution of animals in North America. Similar to U.S. producers, producers in Canada suffered from poor forage conditions in the early 2000's and low prices; just as conditions and prices were improving in 2003 the Canadian industry was set back with the calamity of BSE and plunging prices as trade outlets diminished. While the bubble may finally be worked off in early 2006's, the Canadian industry, similar to U.S. producers, will have to re-establish their financial base before herd expansion becomes a consideration. Beef supplies in North America are likely to again tighten in 2006 with only modest increases in beef production expected in 2007.

Although not included in current USDA forecasts, successful ongoing efforts to reopen beef export markets may take much pressure off the North American beef market. International beef supplies are very tight, particularly for higher quality fed beef, only available in sizeable quantities from North America. While U.S. beef production is expected to increase about 1.25 billion pounds due to reopening trade with Canada, any resumption of significant export trade would likely return the market to a very tight beef supply scenario, and many former export markets are being woefully underserved at present. While the United States is only expected to export 434 million pounds of beef in 2004, the first year of BSE export bans, exports are expected to rise to 640 million pounds in 2005. Movement back towards the 2.3 billion to 2.5 billion pound export range of 2000 to 2003 would result in price rationing of quality beef in the domestic/export market, boosting cattle prices.

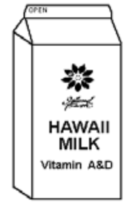
Hogs/Pork

December Hogs and Pigs Report Sets a Bullish Tone

USDA issued its *Quarterly Hogs and Pigs* report on December 28th. The report indicates little year-over-year change in the inventory of All Hogs and Pigs, but a slightly smaller inventory of animals Kept for Breeding. According to the report, producers' farrowing intentions – for December-February are 101 percent of a year ago, while March-May intentions are the same as a year ago.

Many industry analysts have interpreted the report to be slightly "bullish" for the U.S. pork industry with respect to hog prices in 2005. The report brought about expectations for higher hog prices than before the report, because it indicated that key inventories and farrowing intentions were slightly outside the lower end of most analysts' expected ranges. Many analysts expected that the high hog prices enjoyed by producers in 2004 would cause them to gear up to expand production in 2005. Instead, the report indicated that the anticipated expansion – which would eventually result in greater hog numbers and lower prices – is not yet under way.

Full text of stories covered above can be found at:
Source: ***Livestock, Dairy, and Poultry Outlook, January 21, 2005, Economic Research Service, United States Department of Agriculture.***
Internet web site: ***http://www.ers.usda.gov/publications/ldp/.***



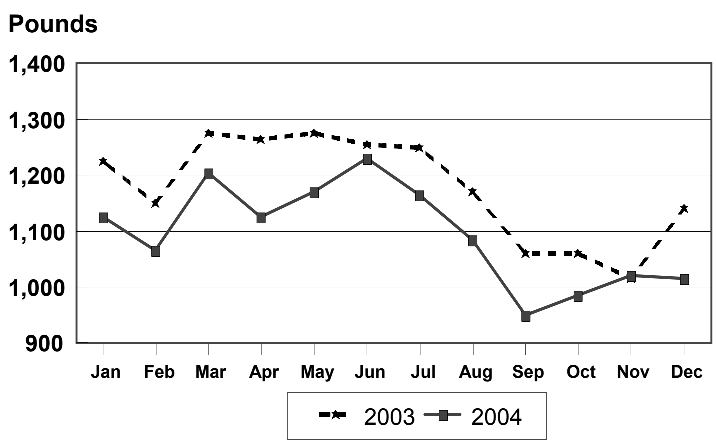
DECEMBER ANNUAL MILK OUTPUT DOWN

In December, Hawaii's dairy cows produced 5.9 million pounds of milk compared with 7.4 million pounds for the December 2003 and 5.8 million pounds for November 2004. Both the dry and milk cow inventory numbered 5,800 head, down 700 from December last year but up 100 from November. In December, output per cow averaged 1,015 pounds, 125 pounds below the same month last year and 5 pounds less than the previous month. Cumulative production for 2004 totaled 80.5 million pounds, 13 percent below 2003.

U.S. MILK PRODUCTION

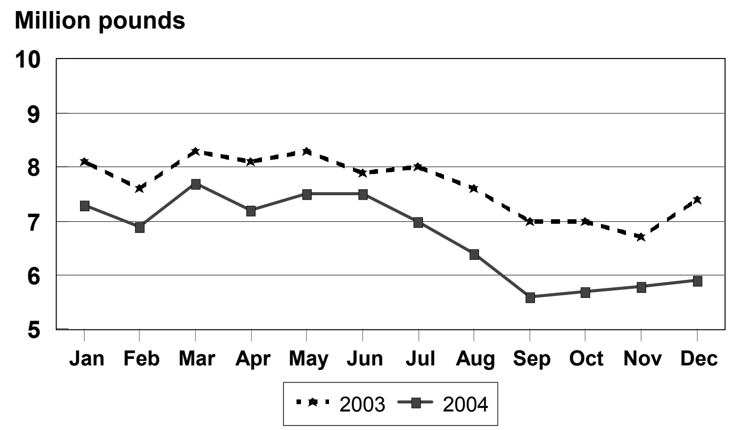
Milk production in the 20 major States during December totaled 12.4 billion pounds, up 1.0 percent from December 2003. November revised production, at 11.9 billion pounds, was up 1.2 percent from November 2003. The November revision represented an increase of 5 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,602 pounds for December, 6 pounds above December 2003. The number of milk cows on farms in the 20 major States was 7.76 million head, 47,000 head more than December 2003, but 4,000 head less than November 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, December 2004

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Dec. 2003	Nov. 2004	Dec. 2004	Dec. 2003	Dec. 2004	Dec. 2003	Dec. 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,300	[4]	[4]	890	[4]	2,930	[4]	35,200	[4]
Honolulu	3,200	[4]	[4]	1,390	[4]	4,445	[4]	56,800	[4]
State	6,500	5,700	5,800	1,140	1,015	7,400	5,900	92,000	80,500

[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.
[4] Hawaii and Honolulu are combined due to disclosure beginning August 2004.

Average farm prices, State of Hawaii, December 2004

Commodity		December 2003	November 2004	December 2004
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	83.0	88.0	89.0
	- (live weight equivalent)	(45.6)	(48.3)	(48.9)
Cows [1]	*- dressed weight*	52.0	52.0	51.0
	- (live weight equivalent)	(28.5)	(28.5)	(28.0)
Market hogs [1 2]	*- dressed weight*	116.5	118.0	119.0
	- (live weight equivalent)	(87.4)	(88.5)	(89.3)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		24.70	25.10	25.30
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		87.0	103.0	101.0

[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.