HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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

FACT FINDERS FOR AGRICULTURE

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

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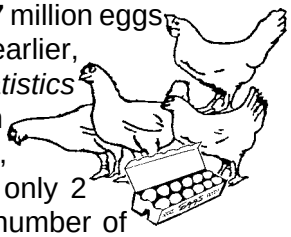
IN THIS ISSUE

JANUARY EGG PRODUCTION 5 PERCENT BELOW A YEAR AGO



Egg production during January, totaled **9.7** million eggs (26,944 cases), 5 percent below a year earlier, according to the *Hawaii Agricultural Statistics Service*. The average number of layers on hand declined 6 percent from a year ago, while the average rate of lay increased only 2 percent from a year ago. The average number of layers on hand during January 2004 was 492,000, compared with 526,000 a year ago, and 482,000 during December 2003. The average rate of lay was 1,972 eggs per 100 layers (63.6 percent lay rate) compared with 1,939 (62.5 percent) a year ago.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.38 billion during January 2004, down slightly from last year. Production included 6.32 billion table eggs, and 1.06 billion hatching eggs, of which 996 million were broiler-type and 60.0 million were egg-type. The total number of layers during January 2004 averaged 338 million, down 1 percent from a year earlier. January egg production per 100 layers was 2,184 eggs, up 1 percent from January 2003.

January 2004 contained 22 weekdays, 2 holidays, and 5 Saturdays, compared to January 2003 which contained 23 weekdays, 2 holidays, and 4 Saturdays.

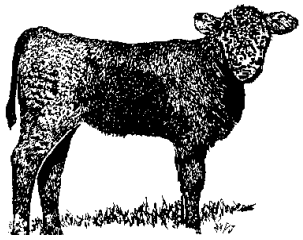
All layers in the U.S. on February 1, 2004, totaled 338 million, down 1 percent from a year ago. The 338 million layers consisted of 280 million layers producing table or commercial type eggs, 55.9 million layers producing broiler-type hatching eggs, and 2.48 million layers producing egg-type hatching eggs. Rate of lay per day on February 1, 2004, averaged 69.8 eggs per 100 layers, down slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.88 billion eggs during January 2004, down 1 percent from a year ago. The average number of layers during January, at 315 million, was down 1 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Jan. 2003	Dec. 2003	Jan. 2004	Jan. 2003	Jan. 2004	Jan. 2003	Jan. 2004	Year-to-date 2003	Year-to-date 2004
	------ Thousands ------			--- Number ---		---------- Millions ----------			
Hawaii/Kauai/Maui	119	112	120	2,195	1,944	2.6	2.3	2.6	2.3
Honolulu	407	370	372	1,835	2,000	7.5	7.4	7.5	7.4
State	526	482	492	1,939	1,972	10.2	9.7	10.2	9.7

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



JANUARY MARKETINGS OFF 24 PERCENT FROM YEAR AGO

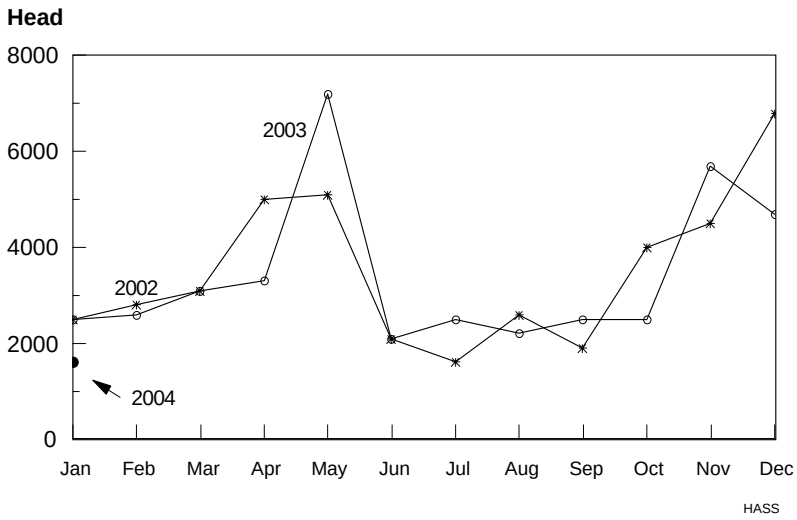
Cattle marketings during January totaled 2,500 head, compared with 3,300 head a year ago and 5,800 head during December 2003. Out-of-state shipments accounted for all of the decline as exports decreased 36 percent from a year ago to 1,600 head, while local slaughter increased 13 percent.

Cattle Marketings, State of Hawaii, January 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 - -	
January	3,300	2,500	1,400	1,000	1,100	500	2,500	1,600	508	459
Year-to-date [4]	3,300	2,500	1,400	1,000	1,100	500	2,500	1,600	508	459

[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 (1,100 - 1,300 pounds)	Heifers (1,000 - 1,200 pounds)
	from Sioux Falls	
11-29-03	-	-
12-13-03	97.50	96.50

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

DONALD A. MARTIN
State Agricultural Statistician

STEVE GUNN
Deputy State Agricultural Statistician

REGINA W. HIDANO
Agricultural Statistician

JOYCE JAY
Statistical Assistant

NILS K. MORITA
Research Statistician

KAREN A. LEE
Statistical Assistant

Contributing by County

Robert Miyake	Hawaii
Naomi Landgraf	Maui
June Okamura	Kauai, Honolulu
Wendell Au	Honolulu

COMMERCIAL BEEF PRODUCTION 18 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during January 2004 totaled 570,000 pounds, compared with 484,000 pounds a year earlier. Commercial kill for January 2004 totaled 900 head, 100 more than a year ago. Average live weight per head, at 1,110 pounds, was 5 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 1.92 billion pounds, was 16 percent below the previous year. Cattle slaughter totaled 2.57 million head, down 14 percent from January 2003. The average live weight was 1,249 pounds, down 19 pounds from January a year ago.

PORK PRODUCTION DOWN 11 PERCENT FROM A YEAR AGO

Commercial pork production during January 2004 totaled 353,000 pounds, compared with 398,000 pounds a year ago. Total hog kill of 2,400 head was 200 less than a year ago. Average live weight per head, at 197 pounds, was 6 pounds lighter than a year ago.

U.S. PORK PRODUCTION

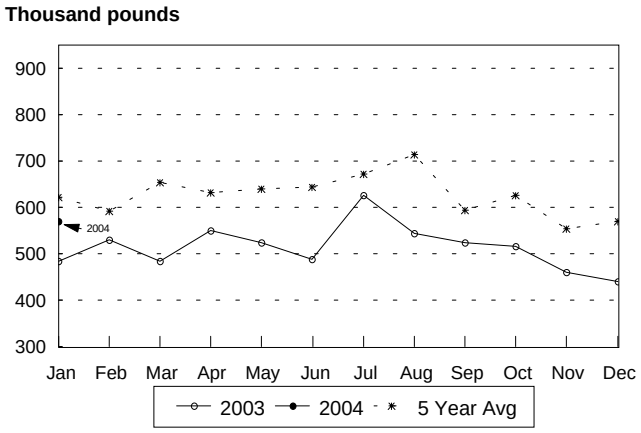
Pork production totaled 1.76 billion pounds, up 1 percent from the previous year. Hog kill totaled 8.79 million head, slightly above January 2003. The average live weight was 269 pounds, up 1 pound from January a year ago

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

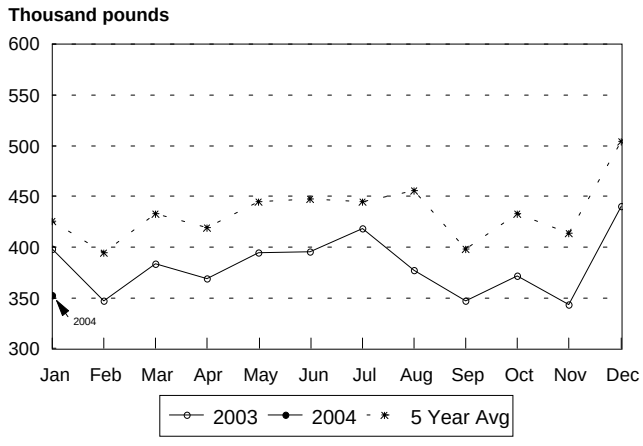
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			------ pounds ------		---------- 1,000 pounds ----------			
Cattle								
January	800	900	1,056	1,110	882	1,039	484	570
Year-to-date	800	900			882	1,039	484	570
Hogs [3]								
January	2,600	2,400	203	197	531	470	398	353
Year-to-date	2,600	2,400			531	470	398	353

[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, FEBRUARY 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals in the district were near normal to above normal for January 2004. Light showers at the beginning of the month gave way to heavy rainfall by month's end. This improved most pastures to fair to very good condition, although some pastures were in soggy condition. The rains helped to bring the level of stock water supplies to adequate. Most of the cattle and calves were in fair to good condition.

Ka'u: Ample rainfall throughout the month pushed rainfall totals for the month to above normal levels. This stimulated good grass growth throughout the district, even in the normally dry lower elevation, coastal pastures. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Kona: Near normal to above normal rainfall totals for January helped to boost pastures to fair to good condition. Even the normally dry pastures of North Kona benefitted from the moisture and were in at least fair condition. Stock water levels were good. Cattle and calves were in fair to good condition.

Kohala: Although rainfall totals were below normal for most areas of the district, timely precipitation during the month helped to sustain new grass growth. Most lower elevation leeward pastures, which had been dry, received sufficient moisture to stimulate good grass growth. However, the improvement in soil moisture also promoted the spread of the invasive yellow flowering Senecio weed. Cattle and calves were in good condition.

Hamakua: Steady showers in combination with mostly warm, sunny conditions provided for good grass growth. Pastures condition ranged from fair to good condition. Cattle and calves were in good condition.

Honolulu County

Heavy rains which began at the end of December 2003 continued into January 2004 to push rainfall totals for the month to near to well above normal levels. All pastures on the island received more than enough precipitation, but has resulted in some low lying areas to be under water. Forage supply was good, but the wet, overcast conditions, has hampered new grass growth. Pastures, nonetheless were in fair to good condition. Cattle and calves were also in fair to good condition.

Kauai County

In general, all except one rain gage on Kauai recorded rainfall totals that were below normal for the month. Most eastern to southern locations received slightly higher percentage of normal rainfall amounts than pastures located in the northern areas. In general, most pastures were in fair to good condition, but cooler temperatures and cloudy conditions slowed grass growth. Cattle and calves were in fair to good condition.

Maui County

Rainfall total for the county was above normal for all areas and all islands in the county, resulting in soil moisture improving to near normal to above normal levels. This increase in moisture provided the stimulus for good forage growth, but it also increased the growth of undesirable weeds, such as the Fireweed. Forage growth at the upper elevations had slowed due to overcast skies and cool temperatures, but the normally dry lower elevation pastures showed some good new grass growth. Cattle and calves were in fair to very 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

Meat Markets Riled by Disease Outbreaks

The outlook for world and domestic poultry markets continues to be in a state of upheaval due to outbreaks of Avian Influenza in Asia and the United States. High Pathogenic Avian Influenza (HPAI) has been reported in a number of Asian countries, including China and Thailand, two of the world's top producers and exporters. Making the outbreak even more serious is that the strain reported in a number of these Asian countries is one that can be transmitted to people through close contact. After the outbreaks were confirmed, many nations that had been importing from these countries placed bans on the importation of all poultry and poultry products from the infected countries. The United States and Brazil are expected to benefit from increased access to these markets, however, U.S. gains may be limited by price competition of certain products in these markets.

However, in the near term U.S. broiler exports have been disrupted by import bans announced by several countries following the announcement that two broiler flocks in Delaware have tested positive for Avian Influenza (AI). Based on previous experience, expectations are that the nationwide ban will be regionalized if the outbreak is confined to a small number of flocks, permitting exports from States unaffected by the outbreak. Officials in New Jersey have also indicated that AI is present in their State. In tests at live markets in New Jersey, four markets have tested positive for AI. However, officials noted that positive tests at live markets are not unusual. Officials in Pennsylvania have stated that samples from an egg laying flock have been sent to the National Veterinary Services Lab in Iowa for analysis. In the first flock found to be infected in Delaware, test have confirmed that the AI was a low pathogenic type, one that is not transmittable to humans.

The finding of AI in New Jersey and the possibility of AI in Pennsylvania could greatly expand the time and resources needed for testing and surveillance. Based on 2002 production data, Pennsylvania is not a major poultry producer, accounting for only 2 percent of national broiler production. The picture is basically the same for turkey production, with Pennsylvania accounting for 4 percent of total U.S. production. In both cases New Jersey's production is very small. The possible impact on the egg side is stronger, with New Jersey accounting for 1 percent of national production and Pennsylvania accounting for 8 percent.

The eighth year of herd liquidation in this cattle cycle was marked in 2003, with little indication that the cattle industry will begin the move toward female retention in 2004. *Price direction* since Bovine Spongiform Encephalapathy (BSE) was confirmed in a dairy cow in Washington State on December 23, has been erratic, but somewhat predictable, particularly, as the export markets were cut off. Initially cattle/beef prices declined sharply, but once the market realized that domestic consumer reaction was muted and consumer beef demand remained relatively strong, end users moved to replenish the meat pipelines that as usual were pulled down over the holidays. This replenishing, was possibly a bit more hesitant than usual but occurred through mid- to late-January, resulting in strengthening prices. However, prices declined once the pipeline was replenished and the market began to assimilate beef supplies normally destined for export.

The January hog slaughter was higher than expected, prompting expectations of a 1-percent increase in first-quarter pork production. Pork production is expected to be 4.95 billion pounds in the first quarter of 2004. The live equivalent hog price (51-52% lean) averaged about $39 per hundredweight (cwt) in January and is expected to average $38 to $40 in the first quarter, with foreign demand for U.S. pork products contributing to price strength. The forecast for U.S. pork imports for 2004 was lowered to 1.24 billion pounds, with the depreciated dollar translating into lower buying power in international markets.

Recent information lowered projected 2004 milk production, now expected to be about unchanged from 2003. The January 1 cattle inventory indicated that supplies of dairy replacements will be significantly smaller than a year earlier. More importantly, availability of bovine somatotropin (BST) will be quite limited because the marker has imposed reduced allocations that are expected to extend until the end of 2004.

Cattle/Beef Trade

BSE-Related Trade Bans Continue To Effect U.S. Beef Trade

After hitting a record 2.57 billion pounds in 2003, beef exports may reach only 220,000 pounds in 2004 if bans currently in place remain for the entire year. Significantly reduced exports are likely in 2004 because all major markets except Canada have banned U.S. beef and live animal imports after discovery of a cow with BSE in Washington State on

December 23, 2003. Since the date of their removal is unknown, those bans are treated as remaining in place for the entirety of 2004 for the purpose of forecasting trade.

U.S. beef exports had steadily increased throughout 2003 because of a weak dollar and generally strong markets, particularly in Japan. Throughout 2003, Japanese beef consumption increased steadily toward levels attained before the discovery of BSE in Japan in September 2001 reduced its beef demand. Exports of U.S. beef further accelerated after the May 20, 2003, discovery of BSE in Canada resulted in a worldwide ban on exports of Canadian beef and live cattle, and increased dependence upon U.S. beef as a substitute, principally by Mexico. Export growth then declined somewhat after the ban on Canadian beef was conditionally lifted in August, and it once again began flowing to Mexico. In spite of the renewed availability of Canadian beef to Mexico, U.S. exports remained strong enough to end 2003 at a record high level in spite of the post-December 23 ban on U.S. beef and live animals. Removing the ban on Canadian live animals remains under consideration.

The discovery of BSE in North America has also affected U.S. beef imports. Beef imports in 2003 were down 9 percent compared with the previous year, mainly because the ban on Canadian beef extended from May 20 until August 8 when the U.S. Department of Agriculture (USDA) announced conditions for removing the ban. Beef imports from Canada were marginal in September as new import protocols were designed and written, but have returned to normal levels since October. Additionally, the demand for imported processing beef declined in 2003 because of a 4.5-percent increase in U.S. cow slaughter attributed to a continuation of drought conditions and poor returns to dairy producers that increased the culling of cows.

U.S. beef imports may increase by 14 percent in 2004, to a record 3.3 billion pounds, as the result of 1 15-percent decline in U.S. cow slaughter to a record low of 5.2 million animals. Imports of processing beef from Australia, however, are likely to decline from the levels reached in 2003 as that country redirects product to Japan as a substitute for banned U.S. beef. Last year, imports from Australia (and New Zealand) were 99 percent of their tariff-rate-quotas. However, processing beef from Canada could make up some of the shortfall in imports of processing beef from the former two countries in 2004.

So far, 2004 has not seen a surge in demand for imported processing beef, as its price has fallen below $1.20 per pound, from a December high exceeding $1.40 per pound. This lack of demand growth appears to be due to carryover of domestic processing beef from the 6-year high in fourth-quarter 2003 U.S. cow slaughter, and would help explain the falloff in beef imports from both Canada and Australia indicated by U.S. Customs data through January 31. Additionally, the weak U.S. dollar has made imported beef more expensive. Since imports from Australia may remain below year-earlier levels throughout 2004, U.S. demand for Canadian beef for processing may increase sharply as both domestic stocks of processing beef and U.S. cow slaughter decline.

Canada's capacity to satisfy increased U.S. demand for imported processing beef will depend, first, upon the number of animals less than 30 months old available for slaughter in Canada, as that is the age below which Canadian beef for export is allowed by the post-August 8 protocols. A sufficient number of those animals should be available, as the majority of the roughly 1 million head of live animals still banned from export to the United States meet the age criteria. More importantly, Mexican demand for fed beef from Canadian animals less than 30 months old may also increase as product from the United States is unavailable, and Mexico has limited capacity for increasing its own fed beef production. Even if a sufficient number of age-appropriate animals are available in Canada, the ability of Canada to supply shortfalls in both the U.S. processing beef and the Mexican fed beef markets could be limited by slaughter capacity in Canada.

Source: ***Livestock, Dairy, and Poultry Outlook, February 17, 2004, Economic Research Service, United States Department of Agriculture.***

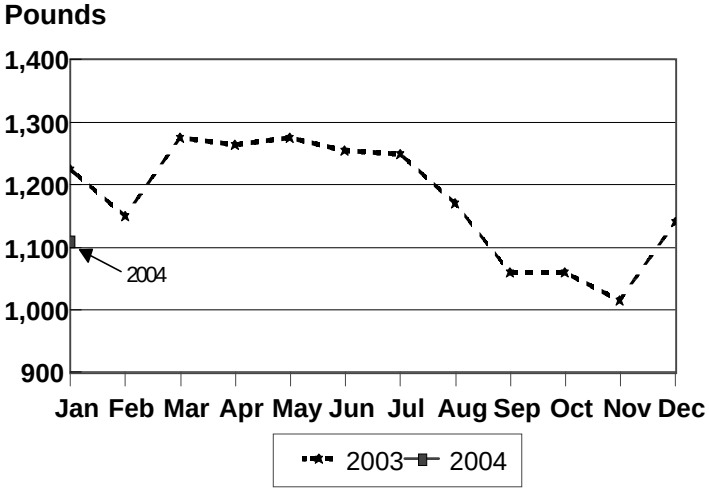
JANUARY 2004 PRODUCTION LOWER

In January, Hawaii's dairy cows produced 7.2 million pounds of milk, compared to 8.1 million pounds in January 2003 and 7.4 million pounds in December 2003. The cow inventory, both dry and in milk, numbered 6,500 head, 100 head below January 2003 but unchanged from December 2003. In January, the average output per cow was 1,110 pounds, 115 pounds less than January 2003 and 30 pounds below December 2003.

U.S. MILK PRODUCTION

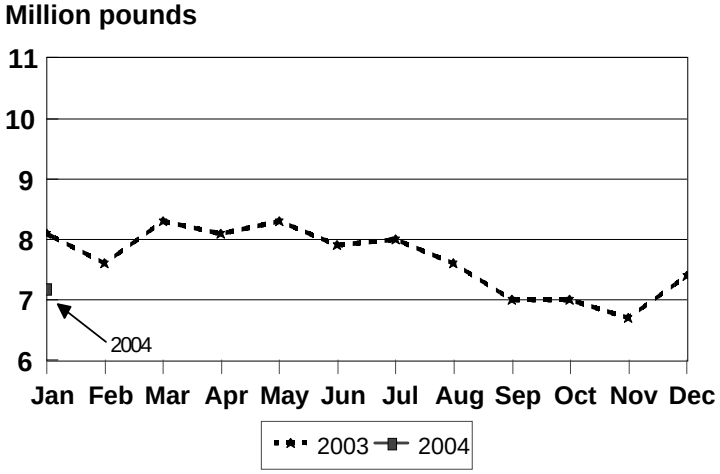
Milk production in the 20 major States during January totaled 12.5 billion pounds, down 0.9 percent from January 2003. December revised production, at 12.3 billion pounds, was down 0.2 percent from December 2002. The December revision represented an increase of 0.5 percent or 62 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,620 pounds for January, 5 pounds above January 2003. The number of milk cows on farms in the 20 major States was 7.72 million head, 92,000 head less than January 2003, but 5,000 head more than December 2003.

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



HASS

Total Milk Production, State of Hawaii, 2003-2004



HASS

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

County	All milk cows [1][2][3]			Milk per cow [3]		Milk production [1][3]			
	Jan. 2003	Dec. 2003	Jan. 2004	Jan. 2003	Jan. 2004	Jan. 2003	Jan. 2004	Year-to-date 2003	Year-to-date 2004
	------ Number ------			--- Pounds ---		---------- 1,000 pounds ----------			
Hawaii	3,300	3,300	3,300	950	910	3,135	3,010	3,135	3,010
Honolulu	3,300	3,200	3,200	1,505	1,315	4,970	4,210	4,970	4,210
State	6,600	6,500	6,500	1,225	1,110	8,100	7,200	8,100	7,200

[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, January 2004

Commodity		January 2003	December 2003	January 2004
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	76.0	77.5	81.0
	- (live weight equivalent)	(41.7)	(42.5)	(44.5)
Cows [1]	*- dressed weight*	56.0	56.5	53.0
	- (live weight equivalent)	(30.7)	(31.0)	(29.1)
Market hogs [1 2]	*- dressed weight*	114.0	115.0	117.0
	- (live weight equivalent)	(85.5)	(86.3)	(87.8)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		23.40	24.70	24.10
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		84.0	87.0	90.0

[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.