HAWAII
AGRICULTURAL STATISTICS
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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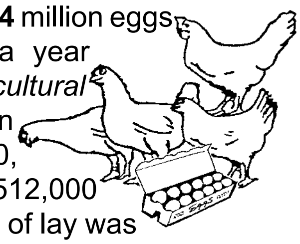
JANUARY EGG PRODUCTION 7 PERCENT ABOVE YEAR AGO



Egg production during January, totaled **10.4** million eggs (28,889 cases), 7 percent more than a year earlier, according to the *Hawaii Agricultural Statistics.* The average number of layers on hand during January 2005 was 511,000, compared with 492,000 a year ago and 512,000 during December 2004. The average rate of lay was 2,035 eggs per 100 layers (65.6 percent lay rate) compared with 1,972 (63.6 percent) a year ago.

U.S. EGG PRODUCTION

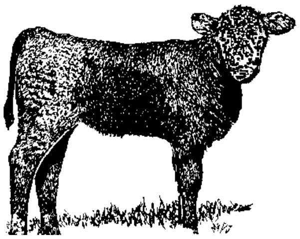
U.S. egg production totaled 7.61 billion during January 2005, up 3 percent from last year. Production included 6.52 billion table eggs, and 1.09 billion hatching eggs, of which 1.03 billion were broiler-type and 64 million were egg-type. The total number of layers during January 2005 averaged 348 million, up 3 percent from a year earlier. January egg production per 100 layers was 2,188 eggs, up slightly from January 2004.

All layers in the U.S. on February 1, 2005, totaled 348 million, up 3 percent from a year ago. The 348 million layers consisted of 289 million layers producing table or market type eggs, 56.6 million layers producing broiler-type hatching eggs, and 2.68 million layers producing egg-type hatching eggs. Rate of lay per day on February 1, 2005, averaged 69.8 eggs per 100 layers, up slightly from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Jan. 2004	Dec. 2004	Jan. 2005	Jan. 2004	Jan. 2005	Jan. 2004	Jan. 2005	Year-to-date 2004	Year-to-date 2005
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	120.0	124.7	124.4	1,942	2,073	2.30	2.54	2.30	2.50
Honolulu	372.0	387.3	386.6	2,000	2,031	7.40	7.86	7.40	7.90
State	492.0	512.0	511.0	1,972	2,035	9.70	10.40	9.70	10.40

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



JANUARY MARKETINGS 10 PERCENT BELOW YEAR AGO

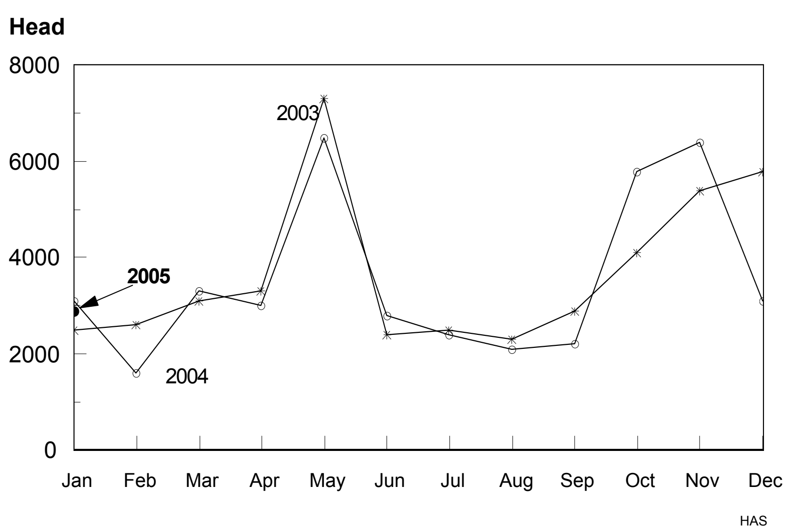
Cattle marketings during January totaled 3,600 head, compared with 4,000 head a year ago and 3,900 head during December 2004. Declines in both out-of-state shipments and local commercial slaughter accounted for the 10 percent drop in marketings. Exports during January 2005 decreased 6 percent from a year ago to 2,900 head.

Cattle Marketings, State of Hawaii, January 2005

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
	head								pounds	
January	4,000	3,600	1,700	1,700	1,400	1,200	3,100	2,900	455	457
Year-to-date [4]	4,000	3,600	1,700	1,700	1,400	1,200	3,100	2,900	455	457

[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



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	
10-30-04	80.00	80.00
11-13-04	80.00	80.00

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

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COMMERCIAL BEEF PRODUCTION 33 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during January 2005 totaled 385,000 pounds, compared with 570,000 pounds a year earlier. Commercial kill for January 2005 totaled 700 head, 200 fewer than a year ago. Average live weight per head, at 1,073 pounds, was 3 percent lighter than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 1.92 billion pounds, was slightly below the previous year. Cattle slaughter totaled 2.53 million head, down 2 percent from January 2004. The average live weight was 1,262 pounds, up 13 pounds from January a year ago.

PORK PRODUCTION 16 PERCENT LESS THAN A YEAR AGO

Commercial pork production during January 2005 totaled 298,000 pounds, compared with 353,000 pounds a year ago. Total hog kill of 2,000 head was 400 less than a year ago. Average live weight per head, at 197 pounds, was unchanged from a year ago.

Pork production totaled 1.70 billion pounds, down 3 percent from the previous year. Hog kill totaled 8.48 million head, 4 percent below January 2004. The average live weight was 270 pounds, up 1 pound from January a year ago.

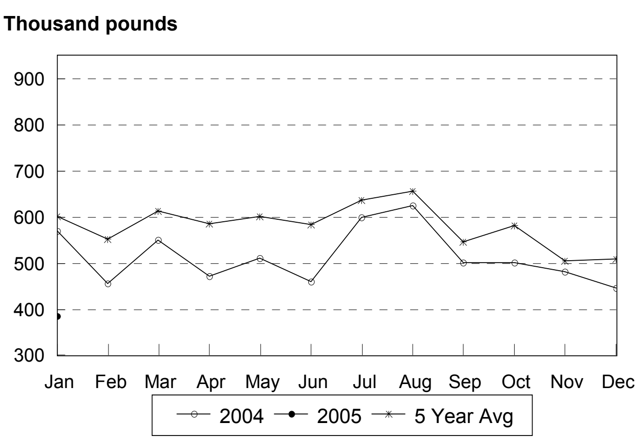
U.S. PORK PRODUCTION

Commercial slaughter, State of Hawaii, January 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								
January	900	700	1,110	1,073	1,039	701	570	385
Year-to-date	900	700			1,039	701	570	385
Hogs [3]								
January	2,400	2,000	197	197	470	397	353	298
Year-to-date	2,400	2,000			470	397	353	298

[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
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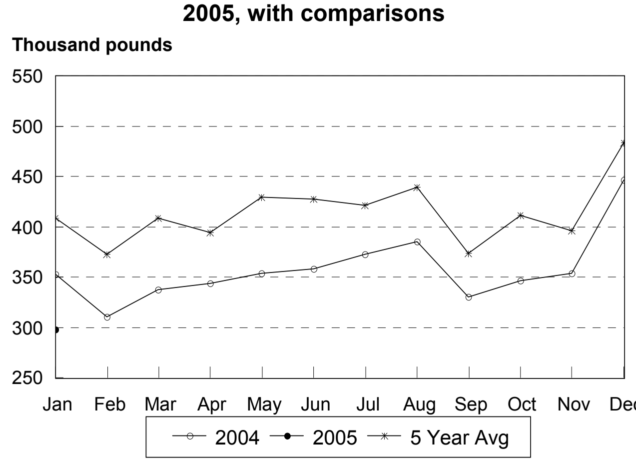


PASTURE AND LIVESTOCK CONDITION, FEBRUARY 1, 2005

Hawaii County

Hilo and Puna: Near normal weather conditions during the first half of January gave way to hot, dry conditions during the second half of the month. Rainfall totals at all rain gages were below 50 percent of normal. This lack of rainfall was the direct result of the disappearance of trade wind weather conditions. As a result, pasture conditions declined and diminished to only fair to good status. Most pastures nonetheless still had an adequate supply of old feed available. Pastures at the upper elevations were progressing slowly because of short days and cool temperatures. Cattle and calves were in good condition.

Ka'u: The normally drier Ka'u district received an abundance of moisture, most of which fell during the first half of the month. As a result, rainfall totals for the month was above normal. Although some areas of Ka'u had dried out during the second half, the adequate amount of moisture received earlier in the month helped to sustain pastures in fair to good condition. Cattle and calves were in good condition.

Kona: Moderate to heavy rainfall, during the first half of January, the result of two storm systems, rejuvenated most pastures with an abundant growth of new green grass. Even the normally drier pastures of the region benefitted from this rainfall. Although drier conditions returned during the second half of the month, the abundance of moisture and new growth had most pastures in fair to good condition. Some areas, however, also had an increase in weed growth. Cattle and calves were in fair to good condition.

Kohala: Rainfall amounts was mixed for this district. Most areas received near normal to below normal rainfall totals, however, the rain gages at Waikii and Upolu Airport registered rainfall amounts well over 3 times normal. Much of the rainfall occurred during the first half of the month with the second half of the month being relatively dry. Grass growth during the first half of the month was very good. As a result, pastures were still in fair to very good condition. Although some pastures were drying out, forage supplies remained good. Cattle and calves were in fair to good condition.

Hamakua: Some heavy showers at month's end helped boost soil moisture after a wet first half and relatively dry second half of the month. Most pastures had an abundant supply of forage and were in fair to good condition. Even pastures at the higher elevations were fairing well. Cattle and calves were in fair to good condition.

Honolulu County

Rainfall for the month of January was mixed. Most rain gages recorded above normal rainfall totals, except for some areas which were located mainly along windward Oahu. The Waianae district received above normal rainfall totals. Much of this rainfall fell at the beginning and ending of the month. In general, pasture conditions were rated good to excellent, with some low lying pastures in soggy condition. The wet winter has combined with periods of sunshine to provide most grazing areas with an abundance of green forage. Cattle and calves were mostly in good condition.

Kauai County

All locations on Kauai received above normal rainfall totals, with some areas having been inundated. Although most pastures were in fair to good condition; the cool, wet, overcast conditions had slowed pasture growth. This wet winter has left several pastures soggy and in much poorer condition. Cattle and calves were in good condition.

Maui County

Weather for Maui County was generally very wet. Nearly all rain gages recorded above normal rainfall totals. In general, the loss of normal trade wind weather has resulted in drier than normal conditions for some of the normally wetter windward locations. Most pastures had sufficient feed and were in fair to excellent condition. Molokai pastures were in very good condition as rainfall totals were well above normal. However, this ideal conditions for Maui County has also enabled undesirable forage to increase and spread. Growth at the upper elevations had slowed due to overcast skies and cool temperatures. Cattle and calves were in good condition.

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

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

Cattle/Beef

Cattle Liquidation Ends, Supplies Remain Tight

After 8 years of herd liquidation, kicked off by record corn prices in 1995/96 and persistent drought in many areas through 2003, the expansion phase of the cattle cycle has begun. The cattle inventory rose 1 percent, nearly 1 million head, from a year earlier. The total cow inventory rose half a percent, with beef cows up less than 1 percent and dairy cows up fractionally. Sharp declines in cow slaughter were largely responsible for the increase in cow numbers over the past year. Cow slaughter declined nearly 16 percent from a year earlier, while the number of heifers calving and entering the cow herd in 2004 declined 9 percent from a year earlier in the first half of the year and 5 percent in the second half. Consequently, the 2004 calf crop was down nearly 1 percent from a year earlier and remains the smallest calf crop since 1951. However, with continued strong cow/calf returns over cash costs, producers are retaining more replacement heifers.

The number of beef replacement heifers being retained on January 1, 2005, increased 4 percent, with 3 percent more heifers expected to calf during the year. The number of dairy heifers being retained and expected to calve this year both increased 3 percent. With another year of modest cow slaughter and increased numbers of replacement heifers calving, this year's calf crop is expected to rise, beginning a period of cyclically rising feeder cattle supplies.

Feeder Cattle Supplies Rise

A 7-percent decline in feedlot placements during 2004 and a 6-percent decline in steer and heifer slaughter helped hold up feeder cattle supplies on January 1, 2005. Feeder cattle supplies outside feedlots and available for grazing programs or feedlot placement were up nearly 2 percent from a year earlier, while remaining cyclically low. Under the minimal-risk rule, which becomes effective on March 7, feeder cattle under prescribed conditions, can be placed on feed in U.S. feedlots. These cattle must then be slaughtered before 30 months of age. Favorable wheat grazing conditions resulted in 3.1 million head of calves, other heifers, and steers on small grain pastures in Kansas, Oklahoma, and Texas on January 1, 2005; up from 2.9 million head a year earlier and the second largest since the series began in 2002. Poor feedlot returns, largely due to record feeder cattle prices and rising supplies, will pressure stocker feeder/cattle prices this year. However, prices are still likely to average the second highest after last year's record $104.76. Favorable moisture conditions, increased heifer retention, and increasing, but still cyclically low cattle numbers will hold up prices.

Minimal-Risk Canadian Cattle Imports

As the March 7 date approaches, several new releases and relationships will guide forecasts. The January 1, 2005, Canadian *Cattle Inventory* report will be released February 17. This release will provide a view on the extent that cattle inventories have risen. In 2002, the last year of pre-BSE markets, the United States imported 1.6 million cattle from Canada, partially due to drought in Canada. The Canadian inventory on January 1, 2003, was 13.5 million head and is expected to have risen to just short of 16 million head since the loss of beef/cattle export markets in May 2003.

In 2003, total U.S. commercial cattle slaughter was 35.5 million head. In addition, calf slaughter was 1 million head. In 2004, due to cyclically low cattle numbers and the loss of Canadian cattle imports, slaughter declined to 32.7 million cattle and 843,000 calves. Cattle and calf slaughter plants have reduced slaughter hours, with a number of plants temporarily closed. When the border opens on March 7, U.S. interests will be strong bidders for an expanded Canadian cattle inventory at relatively lower prices. Canadian/U.S. cattle/beef prices will come into more of a normal balance on the products that can be traded.

Beef imports are likely to remain strong in 2005, but are expected to rise only modestly from the 2004 record. Australia continues to market more of its beef in Asia, which continues to ban beef imports from the United States and Canada. U.S. cull prices are expected to remain very strong with slaughter levels remaining at cyclical lows. Cow slaughter in 2004 was the lowest since 1959, and slaughter in 2005 will be little changed. In January, 90 percent lean beef prices were up 10 percent from a year earlier, although down from the highs of last summer. Similarly, 50 percent lean trim prices were up 65 percent from a year earlier, although down from fourth-quarter 2003 prices. Tight U.S. processing beef supplies due to the sharp drop-off in cow slaughter, and the impact of the Canadian bans, tight total U.S. beef supplies and strong demand; are forcing fierce competition among end users.

Although U.S. beef continues to be banned from most Asian markets, strong progress is being made on a scientific-based system for beef and cattle trade involving countries with minimal risk and proper regulations for handling BSE. Both the United States and Canada will benefit from international standards for beef trade. Demand for high quality beef throughout the world remains very strong and North America is the leading source of high quality longer-fed beef. Australia has shifted more of their production toward short-fed beef, but does not have the feed grain production to shift into fed beef production comparable with North America. But even as the trade bans are dropped, North American fed beef supplies will remain tight and prices strong. Regaining U.S. market share, particularly back to pre-BSE levels, will take time and larger U.S. supplies. Even with reopening Canadian trade, once the slaughter/inventory levels between the two countries come into balance, beef supplies will remain tight until 2007 and 2008 as the cattle inventory expansion leads to increased beef production. After this point progress toward historical trade levels with Asia most likely will be possible. Until then U.S. beef prices will remain very high compared with historical levels.

Beef Production To Remain Low; Prices Strong

Although beef production in 2005 is expected to rise 6 percent from the cyclical low of 2004, production will be the second lowest since 1998. Largest year-to-year increases will be in the second and third quarters as the borders open and are against very low slaughter numbers. In addition, 2005 dressed carcass weights are expected to be record high, particularly with the continued low cow slaughter.

While fed cattle prices are expected to decline from the high 2003 and 2004 levels near $85, prices are still expected to average in the low $80s, third highest on record. Yearling feeder cattle are expected to follow a similar pattern, with prices down from the $104.76 record last year to the second highest average on record in the low $90s.

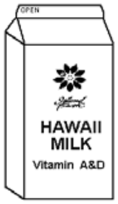
Prices for cull Utility cows are expected to remain near last year's record as cow slaughter remains near cyclical lows. Dairy cow numbers remain tight and beef cows for herd replacement will continue to hold down cow slaughter over the next couple of years.

Per Capita Meat Supplies To Rise, Prices Remain Strong

Per capita meat supplies are expected to rise to a record 226 pounds in 2005 with beef rising 3 pounds and poultry consumption up nearly 2 pounds. Per capita supplies rose 2.5 pounds in 2004. Per capita meat consumption has risen fairly steadily with strong retail prices.

Retail prices for Choice beef averaged a record $4.07 a pound in 2004, up over 8 percent from a year earlier when prices rose 13 percent with closure of Canadian trade. This year retail beef prices are expected to decline 5 to 6 percent, but will still be second only to last year's record. Beef wholesale-retail price spreads remain very wide, even as reduced slaughter levels and fierce competition for tight numbers result in sharply lower farm-wholesale price spreads. Additional slaughter in 2005 and lower prices will support wider packer margins, and increased product will likely result in increased beef specialing.

Full text of stories covered above can be found at:
Source: ***Livestock, Dairy, and Poultry Outlook, February 15, 2005, Economic Research Service, United States Department of Agriculture.***
Internet web site: ***http://www.ers.usda.gov/publications/ldp/.***



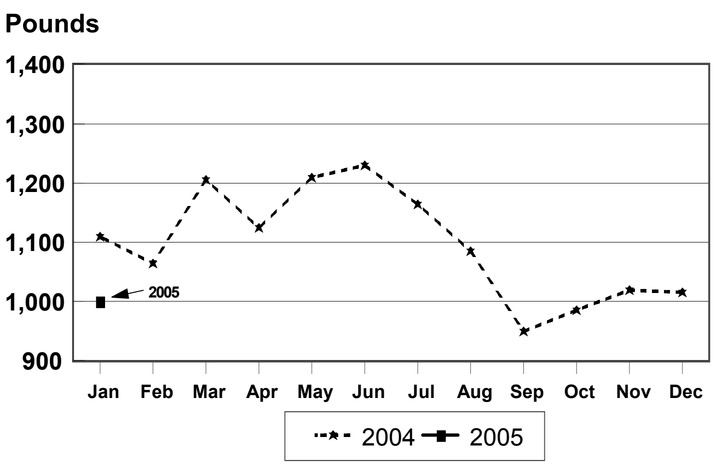
JANUARY PRODUCTION LOWER

In January, Hawaii's dairy cows produced 5.8 million pounds of milk compared with 7.2 million pounds in January 2004 and 5.9 million pounds for December 2004. The dairy herd of cows both dry and in milk numbered 5,800 head, down 700 from January last year but unchanged from December. In January, cows produced an average output of 1,000 pounds, 110 pounds below the same month last year and 15 pounds less than the previous month.

U.S. MILK PRODUCTION

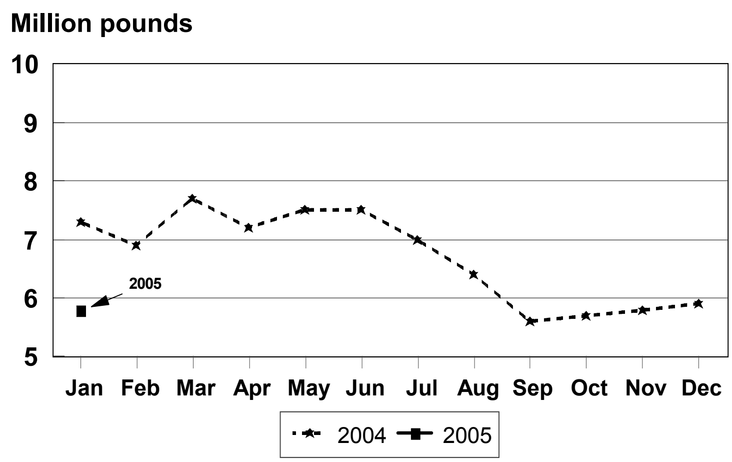
Milk production in the 23 major States during January totaled 13.2 billion pounds, up 1.3 percent from January 2004. December production, at 13.0 billion pounds, was up 1.2 percent from December 2003. Production per cow in the 23 major States averaged 1,637 pounds for January, 13 pounds above January 2004. The number of cows on farms in the 23 major States was 8.08 million head, 38,000 head more than January 2004, but 15,000 head less than December 2004.

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



HAS

Total Milk Production, State of Hawaii, 2004-2005



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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]		Year-to-date	
	Jan. 2004	Dec. 2004	Jan. 2005	Jan. 2004	Jan. 2005	Jan. 2004	Jan. 2005	2004	2005
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,300	[4]	[4]	910	[4]	3,010	[4]	3,010	[4]
Honolulu	3,200	[4]	[4]	1,315	[4]	4,210	[4]	4,210	[4]
State	6,500	5,800	5,800	1,110	1,000	7,200	5,800	7,200	5,800

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2005 are preliminary.
[4] Hawaii and Honolulu are combined due to disclosure beginning August 2004.

Average farm prices, State of Hawaii, January 2005

Commodity		January 2004	December 2004	January 2005
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	82.0	89.0	90.0
	- (live weight equivalent)	(45.0)	(48.9)	(49.4)
Cows [1]	*- dressed weight*	52.0	51.0	51.0
	- (live weight equivalent)	(28.5)	(28.0)	(28.0)
Market hogs [1 2]	*- dressed weight*	116.0	119.0	121.0
	- (live weight equivalent)	(87.0)	(89.3)	(90.8)
		dollars per 100 pounds		
Milk [3]		24.10	25.30	28.50
		cents per dozen		
Eggs [4]		102.0	101.0	98.0

[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.