HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FACT FINDERS FOR AGRICULTURE

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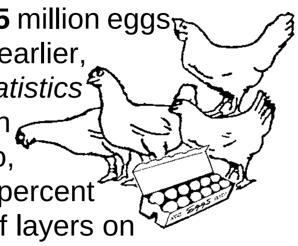
MARCH EGG PRODUCTION 5 PERCENT ABOVE YEAR AGO



Egg production during March, totaled **10.5** million eggs (29,167 cases), 5 percent above a year earlier, according to the *Hawaii Agricultural Statistics Service*. The average number of layers on hand declined 3 percent from a year ago, but the average rate of lay increased 8 percent from a year ago. The average number of layers on hand during March 2004 was 504,000, compared with 519,000 a year ago, and 501,000 during February 2004. The average rate of lay was 2,083 eggs per 100 layers (67.2 percent lay rate) compared with 1,927 (62.2 percent) a year ago. Cumulative production for the first quarter of 2004 was 29.5 million eggs, 1 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.53 billion during March 2004, up 1 percent from last year. Production included 6.44 billion table eggs, and 1.09 billion hatching eggs, of which 1.03 billion were broiler-type and 58.0 million were egg-type. The total number of layers during March 2004 averaged 341 million, up slightly from a year earlier. March egg production per 100 layers was 2,209 eggs, up 1 percent from March 2003.

March 2004 contained 23 weekdays, four Saturdays compared to March 2003 which contained 21 weekdays, and five Saturdays.

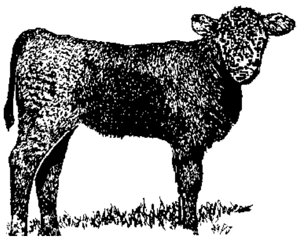
All layers in the U.S. on April 1, 2004, totaled 342 million, up 1 percent from a year ago. The 342 million layers consisted of 283 million layers producing table or commercial type eggs, 56.6 million layers producing broiler-type hatching eggs, and 2.44 million layers producing egg-type hatching eggs. Rate of lay per day on April 1, 2004, averaged 72.0 eggs per 100 layers, up 2 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 7.03 billion eggs during March 2004, up 1 percent from a year ago. The average number of layers during March, at 318 million, was up slightly from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
								Year-to-date	
	Mar. 2003	Feb. 2004	Mar. 2004	Mar. 2003	Mar. 2004	Mar. 2003	Mar. 2004	2003	2004
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	121.0	128.0	124.0	1,998	2,066	2.40	2.60	7.30	7.30
Honolulu	398.0	373.0	379.6	1,919	2,089	7.60	7.90	21.90	22.20
State	519.0	501.0	504.0	1,927	2,083	10.00	10.50	29.20	29.50

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



MARCH MARKETINGS DOWN 28 PERCENT FROM YEAR AGO

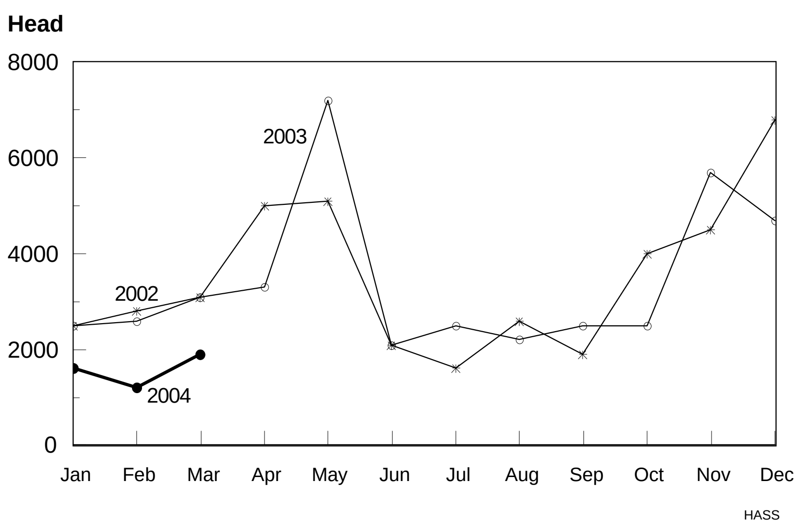
Cattle marketings during March totaled 2,800 head, compared with 3,900 head a year ago and 2,200 head during February 2004. Out-of-state shipments accounted for all of the decline as exports decreased 39 percent from a year ago to 1,900 head. Cumulative marketings for the first quarter of 2004 was 7,400 head, a decrease of 32 percent from the same period a year earlier. Year-to-date exports for 2004 was 4,800 head, a decrease of 42 percent from the same 3-month period in 2003.

Cattle Marketings, State of Hawaii, March 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	
March	3,900	2,800	1,700	1,100	1,400	800	3,100	1,900	504	429
Year-to-date [4]	10,800	7,400	4,500	3,100	3,700	1,700	8,200	4,800	453	443

[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		
1-24-04	86.50	85.50
2-7-04	77.50	76.50

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

DONALD A. MARTIN Director	**STEVE GUNN** Deputy Director	Contributing by County	
REGINA W. HIDANO Agricultural Statistician	**JOYCE JAY** Statistical Assistant	Robert Miyake	Hawaii
NILS K. MORITA Research Statistician	**KAREN A. LEE** Statistical Assistant	Naomi Landgraf	Maui
		June Okamura	Kauai, Honolulu
		Wendell Au	Honolulu

COMMERCIAL BEEF PRODUCTION 14 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during March 2004 totaled 551,000 pounds, compared with 485,000 pounds a year earlier. Commercial kill for March 2004 totaled 900 head, 100 more than a year ago. Average live weight per head, at 1,101 pounds, was 4 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.11 billion pounds, was 3 percent above the previous year. Cattle slaughter totaled 2.87 million head, up 4 percent from March 2003. The average live weight was down 17 pounds from the previous year, at 1,217 pounds.

PORK PRODUCTION DOWN 12 PERCENT FROM A YEAR AGO

Commercial pork production during March 2004 totaled 338,000 pounds, compared with 384,000 pounds a year ago. Total hog kill of 2,300 head was unchanged from a year ago. Average live weight per head, at 197 pounds, was 21 pounds lighter than a year ago.

U.S. PORK PRODUCTION

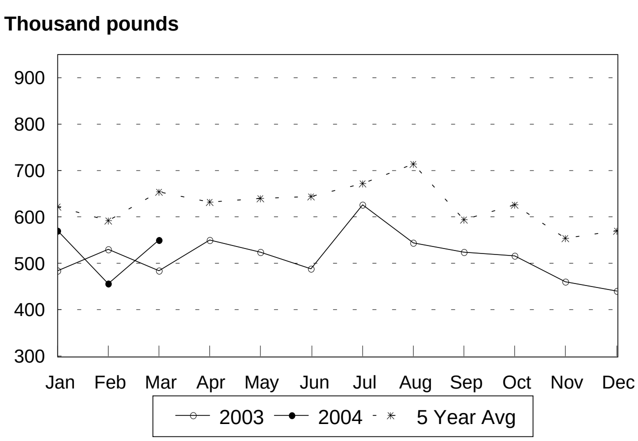
Pork production totaled 1.80 billion pounds, up 11 percent from the previous year and set a record monthly high. Hog kill totaled 9.04 million head, 11 percent above March 2003. The average live weight was unchanged from the previous year, at 268 pounds.

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

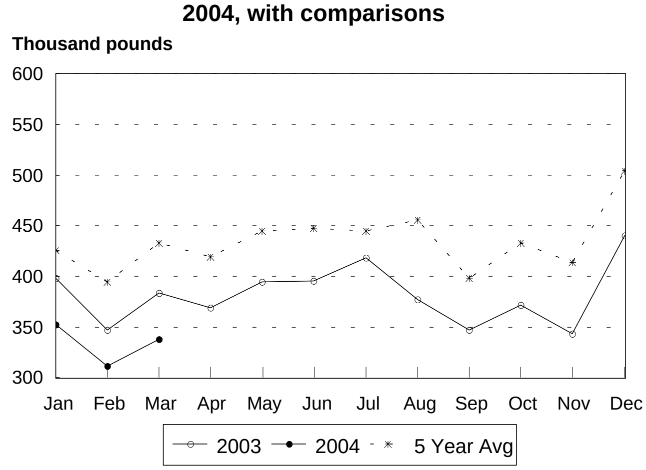
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			- - - pounds - - -		- - - 1,000 pounds - - -			
Cattle								
March	800	900	1,059	1,101	884	1,004	485	551
Year-to-date	2,600	2,600			2,732	2,873	1,500	1,577
Hogs [3]								
March	2,300	2,300	218	197	512	450	384	338
Year-to-date	7,200	6,700			1,505	1,335	1,129	1,001

[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, APRIL 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals in the district were well above normal for the month. Heavy rains left most pastures in very soggy condition. This in combination with cloudy skies and cooler temperatures slowed the prospects for new grass growth. Upper elevation Mauna Kea pastures received good rains and were in good condition. Stock water supplies were adequate. Most of the cattle and calves were in fair to good condition.

Ka'u: A third month of adequate rainfall has pastures in the district in good condition. New grass growth was good, with available forage in ample supply. All pastures in the district were in above average condition for this time of year. Stock water supplies were adequate. The condition of the cattle and calves were good.

Kona: After a wet previous month, rainfall amounts fell to below normal levels for March. However, timely rainfall in combination with last months moisture and warm, dry conditions helped to maintain pastures in fair to good condition. North Kona pastures were the recipient of nearer normal rainfall totals to help stimulate new grass growth. Stock water levels were good. Cattle and calves were in good condition.

Kohala: Heavy rainfall, during the month, inundated the district and caused some flooding and washout of roads and fences. Although some pastures were soggy, most pastures benefitted from the additional moisture and were in good condition. New grass growth was good in all areas, even in the normally dry lower leeward elevation pastures. Stock water supplies were adequate. Cattle and calves were in good condition.

Hamakua: Heavy rainfall resulted in flooding which caused damage to fence lines and roads. The generally, cloudy, wet conditions were not favorable for grass growth, but most pastures were still in fair to good condition. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Honolulu County

Moderate rainfall throughout much of March had rainfall totals for the month at or above normal levels for most windward locations. Many of these pastures were in good to very good condition, however, there other pastures which did not fare as well due to wet soggy conditions. Leeward pastures were much drier, but rainfall earlier in the year helped to keep these pastures in good condition. Forage feed supplies were good. Cattle and calves were also in fair to good condition.

Kauai County

Above normal rainfall totals saturated northern and eastern pastures. This increase in moisture in combination with overcast skies left many of the pastures in fair to good, but soggy condition. Most southern and western sectors received below normal rainfall totals, but ample rains earlier in the year helped pastures to be in fair to good condition. Cattle and calves were in fair to good condition.

Maui County

The county received above normal rainfall totals at all rain gages except for the Lahainaluna (40 percent) and Kihei 2 (12 percent) gages. This enhanced shower activity combined with an increase in daytime temperatures and sunny periods helped to elevate pasture conditions in the county to good. As a result, new grass growth was good and forage supplies were adequate. Cattle and calves were in good 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.***

Hogs/Pork

Quarterly Hogs and Pigs Report Largely Neutral

The March 1 ***Quarterly Hogs and Pigs*** report indicated that the total U.S. inventory of all hogs and pigs was 2-percent above a year ago, while the U.S. breeding herd was 2-percent smaller. With larger market hog inventories and first-half 2004 farrowings likely a bit larger than earlier reported, the report suggests slightly more pork production in 2004. The reported summer farrowing intentions, 2-percent below actual farrowings a year ago, could suggest lower first-quarter 2005 pork production than in 2004.

Canadian Feeder Pigs/U.S. Finishing Operations an Important Source of U.S. Pork Production

Although the recent ***Quarterly Hogs and Pigs*** report indicated U.S. inventories of breeding animals trending lower, U.S. pork production has been trending higher. Higher breeding herd productivity and a developing hog finishing sector in the United States relying on Canadian feeder pigs, together explain higher pork production despite lower breeding inventories. First-quarter 2004 imports of Canadian hogs will likely be record-large, at more than 2 million head. Higher imports reflect strong demand by U.S. hog finishers and lower slaughter demand in Canada.

With imported feeder pigs and slaughter animals from Canada expected to represent almost 8 percent of projected U.S. hog slaughter this year, the outcome of a petition filed by the National Pork Producers' Council et al, filed last month with the U.S. Commerce Department and the International Trade Commission, could have significant implications for U.S. pork production. Preliminary rulings on the petition, that charges the Canadian Government and hog producers with dumping and unfair subsidy programs, could come as early as the summer of 2004. Final resolution of the issues could take as long as a year after the initial filing of the petition.

Trade Begins the Year on a Strong Note

The U.S. pork industry exported more than 154 million pounds (carcass weight) of product in January, almost 15-percent more than last year. Mexican demand for U.S. pork products was particularly strong. On April 1, the Japanese Government removed its Safeguard on imported pork products, which effectively lowers imported pork prices. Upcoming export numbers are expected to reflect strong Japanese demand for competitively priced U.S. pork products, particularly while the Japanese market stays closed to North American beef products, and some poultry as well.

January pork imports were about 1-percent lower than January 2003. U.S. consumer demand for imported pork products from both Canada and Denmark was lower, likely due to the lower valued U.S. dollar, which tends to make imported goods more expensive.

Cattle/Beef

Winter Quarter Beef Production Down; Demand Strong

First-quarter beef production is likely down about 7 percent from a year earlier, and slaughter is down over 5 percent, with cow slaughter down sharply. Poor feeding conditions are holding down slaughter weights at the same time beef demand is rising seasonally. Commercial dressed slaughter weights are expected to decline about 10 pounds from the weather-reduced 2003 level and down about 16 pounds from 2002 when feeding conditions were very favorable. This large decline in the dressed averages is occurring along with sharply reduced cow slaughter, which normally would be supportive of heavier dressed weight averages. First quarter cow slaughter was down over 14 percent, but steer and heifer slaughter are down only about 3 percent. In the last half of March, federally inspected steer weights averaged 13 pounds below a year earlier, while heifer weights were down 6 pounds. Although cattle-on-feed inventories on March 1 were 4 percent above a year earlier and marketings are expected to rise seasonally through summer, poor feedlot performance continues to hold back marketing numbers and slaughter weights. This very tight supply situation places cattle feeders in a very strong negotiating position as the early barbecue season begins. While beef cow slaughter declines are positive for stabilizing cattle inventories, actual herd and production expansion is still several years away.

While fed cattle marketings are expected to rise seasonally, supplies will remain tight until feedlot performance begins to improve. Typically slaughter weights don't begin to rise until late April to May and the cool wet conditions in early April will hold down this seasonal weight transition. Cow slaughter is expected to remain low, with the beef sector showing the first feeble steps toward expansion with the lowest beef cow slaughter in several decades. Higher milk prices and tight dairy heifer supplies are resulting in much lower dairy cow slaughter than was expected earlier. First-quarter dairy cow slaughter was down nearly 14 percent from a year earlier.

In Spite of Strong Beef Prices, Expansion May Be Slow To Materialize

The stronger the industry herd expansion response to higher prices, the tighter beef supplies are going to be through 2006. Cattlemen are likely to remain wary of expansion until forage supplies improve in many areas. The recent reduction in cow slaughter is very positive as the first step toward expansion, but real movement toward expansion cannot occur until heifers are retained this fall from this year's calf crop. The extent to which this occurs will further tighten beef supplies and will not begin to contribute to increased production until mid-2007. Until then supplies will remain tight and prices fairly strong. Market uncertainties regarding export markets and new protocols on production and animal identification programs could certainly restrain expansion plans and may well impact cattle prices and market entry for at least some producers. While the industry is apparently ending the liquidation phase of this much-extended cattle cycle, the expansion phase has yet to materialize.

Veal

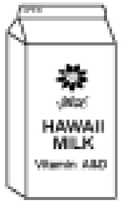
The veal industry in the United States is primarily a byproduct of the dairy industry — dairy cows give birth to calves in order to produce milk. Most female calves (heifers) are retained as replacements for the dairy herd. Heifers not kept as replacements and most male calves are sold or given away when a few days old and are then raised for meat. Veal calves generally fall into one of two categories: "Bob" veal and "Special Fed" veal. Bob vealers are usually marketed at up to 3 weeks of age or at a weight of 150 pounds. Special Fed calves are either milk fed or formula fed until 16 to 18 weeks old or up to 450 pounds and sold as veal, but can be fed to slaughter weights of 1,200 to 1,400 pounds and sold as beef. There are regional variations in final marketing weights. For example, Oregon State extension budgets are for 330-lb calves, but Pennsylvania extension budgets are for 420-lb calves. Bob veal comprises roughly 15 percent of the veal calf market, but production varies depending on factors affecting the beef industry — the cattle cycle, beef cattle prices, and weather. Special Fed veal makes up the majority of the veal calf market and production is more consistent.

The number of dairy cows in the United States has been declining since World War II, and with it, veal calf production. This occurs especially when feeder cattle prices increase. U.S. veal production has declined since 1990 in all but 3 years. Veal is also imported, primarily from Canada, but Canadian veal imports have historically made up a very small percentage of total U.S. veal consumption, averaging 3.3 percent since 1990. U.S. Department of Commerce data show veal imports from Canada declining for the same 11 years.

Per capita consumption of veal in the United States has also declined over time, from 2.8 pounds in 1975, to 0.6 pounds by 2003. This decline in per capita veal consumption may be due to an increase in veal prices as well as a decrease in demand as consumer tastes and preferences have shifted away from veal. Hence, it appears that both veal production and consumption are declining over time, and comprising an ever-smaller portion of the red meat industry.

Full text of stories covered above can be found at:
Source: ***Livestock, Dairy, and Poultry Outlook, April 14, 2004, Economic Research Service, United States Department of Agriculture.***
Internet web site: ***http://www.ers.usda.gov/publications/ldp/***

OUTPUT LOWER FOR MARCH AND FIRST QUARTER OF 2004

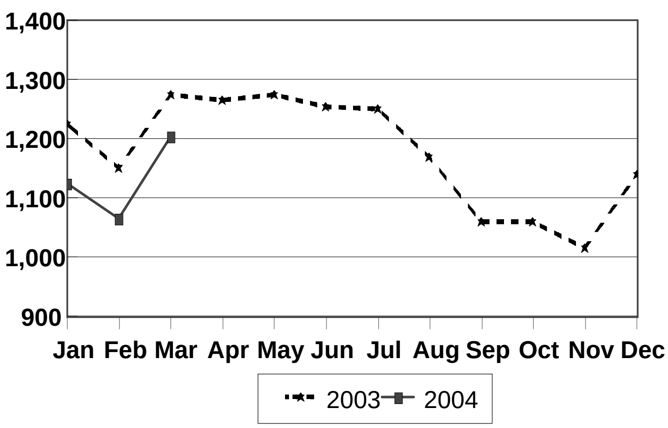


In March, Hawaii's dairy cows produced 7.7 million pounds of milk, compared to 8.3 million pounds in March 2003 and 6.9 million pounds in February 2004. The cow inventory, both dry and in milk, numbered 6,400 head, 100 head below March 2003 and February 2004. In March, the average output per cow was 1,205 pounds, 70 pounds less than March 2003 but 140 pounds greater than February 2004. Production for the first quarter of this year was 9 percent below the comparable period in 2003 and totaling 21.9 million pounds.

U.S. MILK PRODUCTION

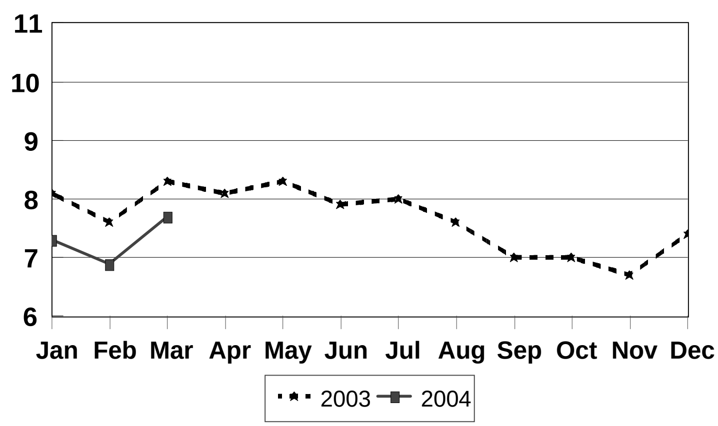
Milk production in the 20 major States during March totaled 12.8 billion pounds, down 1.8 percent from March 2003. February revised production, at 11.8 billion pounds, was up 1.4 percent from February 2003. However, adjusting for leap year, February milk production was down 2.1 percent on a per day basis from last year. The February revision represented a decrease of 35 million pounds or 0.3 percent from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,656 pounds for March, 10 pounds below March 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, March 2004

County	All milk cows [1][2][3]			Milk per cow [3]		Milk production [1][3]		Year-to-date	
	Mar. 2003	Feb. 2004	Mar. 2004	Mar. 2003	Mar. 2004	Mar. 2003	Mar. 2004	2003	2004
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,100	3,300	3,200	1,040	980	3,225	3,140	9,365	9,000
Honolulu	3,400	3,200	3,200	1,500	1,415	5,105	4,530	14,640	12,855
State	6,500	6,500	6,400	1,275	1,205	8,300	7,700	24,000	21,900

[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, March 2004

Commodity		March 2003	February 2004	March 2004
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	75.0	83.0	84.0
	- (live weight equivalent)	(41.2)	(45.6)	(46.1)
Cows [1]	*- dressed weight*	56.0	52.0	53.0
	- (live weight equivalent)	(30.7)	(28.5)	(29.1)
Market hogs [1 2]	*- dressed weight*	114.0	117.0	117.0
	- (live weight equivalent)	(85.5)	(87.8)	(87.8)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		22.90	23.80	24.20
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		83.0	105.0	108.0

[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.