HAWAII
AGRICULTURAL STATISTICS
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FACT FINDERS FOR AGRICULTURE

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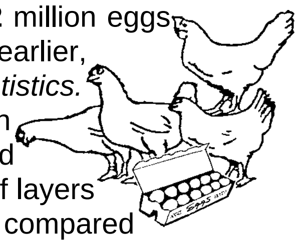
MAY EGG PRODUCTION 4 PERCENT ABOVE YEAR AGO



Egg production during May, totaled **10.2** million eggs (28,333 cases), 4 percent above a year earlier, according to the *Hawaii Agricultural Statistics.* Both the average number of layers on hand and the average rate of lay increased from a year ago. The average number of layers on hand during May 2004 was 502,000, compared with 487,000 a year ago, and 505,000 during April 2004. The average rate of lay was 2,032 eggs per 100 layers (65.5 percent lay rate) compared with 2,012 (64.9 percent) a year ago. Cumulative production for the first five months of 2004 was 50.0 million eggs, 2 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.50 billion during May 2004, up 2 percent from last year. Production included 6.39 billion table eggs, and 1.11 billion hatching eggs, of which 1.05 billion were broiler-type and 59.0 million were egg-type. The total number of layers during May 2004 averaged 342 million, up 2 percent from a year earlier. May egg production per 100 layers was 2,192 eggs, up 1 percent from May 2003.

May 2004 contained 21 weekdays, 5 Saturdays and 1 holiday compared to May 2003 which contained 22 weekdays, 5 Saturdays and 1 holiday.

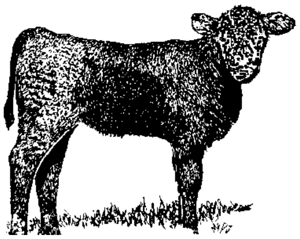
All layers in the U.S. on June 1, 2004, totaled 343 million, up 2 percent from a year ago. The 343 million layers consisted of 283 million layers producing table or commercial type eggs, 57.4 million layers producing broiler-type hatching eggs, and 2.41 million layers producing egg-type hatching eggs. Rate of lay per day on June 1, 2004, averaged 70.3 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 7.00 billion eggs during May 2004, up 2 percent from a year ago. The average number of layers during May, at 319 million, was up 2 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	May 2003	Apr. 2004	May 2004	May 2003	May 2004	May 2003	May 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	108.0	121.2	119.2	2,049	1,907	2.22	2.25	11.90	11.90
Honolulu	379.0	383.9	382.9	1,996	2,077	7.58	7.95	37.10	38.10
State	487.0	505.0	502.0	2,012	2,032	9.80	10.20	49.00	50.00

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



MAY MARKETINGS OFF 16 PERCENT FROM YEAR AGO

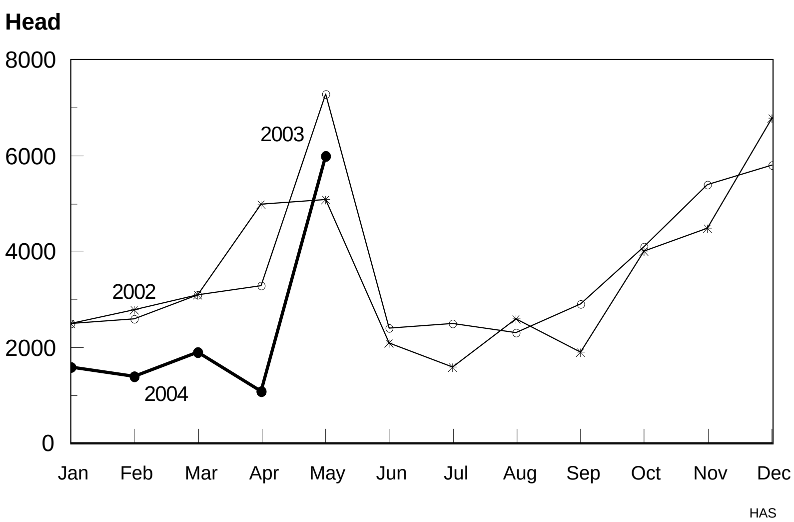
Cattle marketings during May totaled 6,900 head, compared with 8,200 head a year ago and 1,900 head during April 2004. Out-of-state shipments accounted for most of the decline as exports decreased 18 percent from a year ago to 6,000 head. Cumulative marketings for the first five months of 2004 was 16,200 head, a decrease of 31 percent from the same period a year earlier. Year-to-date exports for 2004 was 11,900 head, a decrease of 37 percent from the same 5-month period in 2003.

Cattle Marketings, State of Hawaii, May 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	
May	8,200	6,900	4,200	3,900	3,100	2,200	7,300	6,000	440	405
Year-to-date [4]	23,300	16,200	10,600	7,600	8,200	4,400	18,800	11,900	438	422

[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		
3-20-04	87.00	87.50
4-3-04	86.00	84.50

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

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Naomi Landgraf	Maui
June Okamura	Kauai, Honolulu
Wendell Au	Honolulu

COMMERCIAL BEEF PRODUCTION OFF 3 PERCENT FROM YEAR AGO

Commercial beef production (local slaughter) during May 2004 totaled 511,000 pounds, compared with 525,000 pounds a year earlier. Commercial kill for May 2004 totaled 900 head, unchanged from a year ago. Average live weight per head, at 1,068 pounds, was 4 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.07 billion pounds, was 12 percent below the previous year. Cattle slaughter totaled 2.84 million head, down 13 percent from May 2003. The average live weight was down 4 pounds from the previous year, at 1,204 pounds.

PORK PRODUCTION DOWN 10 PERCENT FROM A YEAR AGO

Commercial pork production during May 2004 totaled 354,000 pounds, compared with 395,000 pounds a year ago. Total hog kill of 2,300 head was 200 head fewer than a year ago. Average live weight per head, at 204 pounds, was 4 percent lighter than a year ago.

U.S. PORK PRODUCTION

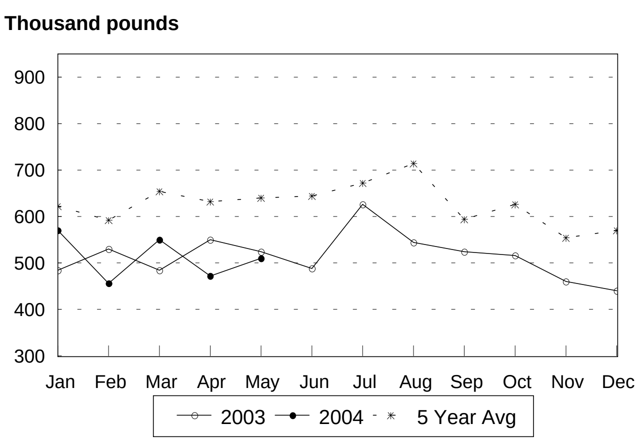
Pork production totaled 1.50 billion pounds, down 3 percent from the previous year. Hog kill totaled 7.58 million head, 3 percent below May 2003. The average live weight was 1 pound below the previous year, at 266 pounds.

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

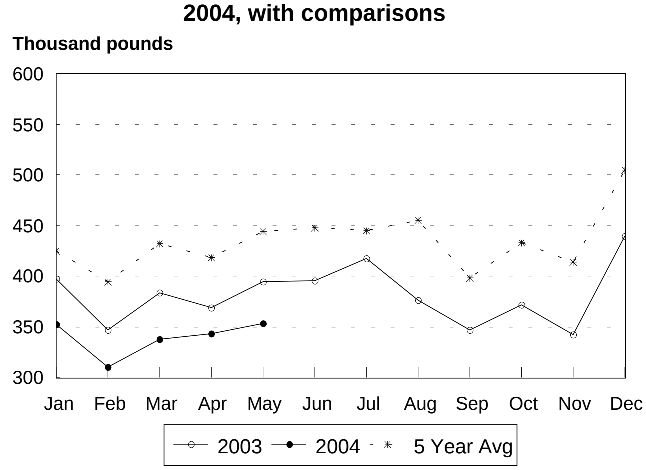
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			------ pounds ------		------------ 1,000 pounds ------------			
Cattle								
May	900	900	1,030	1,068	956	930	525	511
Year-to-date	4,500	4,300			4,691	4,663	2,575	2,560
Hogs [3]								
May	2,500	2,300	213	204	526	472	395	354
Year-to-date	11,900	11,300			2,523	2,266	1,892	1,700

[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, JUNE 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals for the month of May were below normal, however, the amount of rainfall was still of sufficient volume. This in combination with sunnier, dry weather helped to stimulate grass growth. As a result, most pastures were in fair to good condition. On the negative side, these conditions also promoted an increase in weed growth and it's spread through many pastures. Stock water supplies were good. Most of the cattle and calves were in good condition.

Ka'u: In general, weather conditions were ideal for stimulating new pasture growth. Rainfall totals which have been near to above normal for the year have also helped to maintain these pastures in good condition. New grass growth was good, with available forage in ample supply. Stock water supplies were adequate. The condition of the cattle and calves were good.

Kona: The lack of trade winds, helped to stimulate weather conditions which provided the district, for the most part, with above normal rainfall totals. In general, pasture condition for the district was fair to good, with ample feed on the ground. Rainfall and forage supplies were best at the middle to upper elevations, while coastal pastures were drier. On the downside, weed growth has also exploded. Stock water levels were good. Cattle and calves were in fair to good condition.

Kohala: Heavy rains continued to saturate the district, causing flooding and washout of some roads and fences. Soggy conditions existed in some pastures, but sunny, warm weather has provided the necessary stimulus to benefit most pastures. For the most part, new grass growth was good and forage supplies were abundant in most areas. Dry feed and conditions existed along the lower leeward elevations. Weed growth continues to hamper pastures. Stock water supplies were good. Cattle and calves were in good to very good condition.

Hamakua: Ample rainfall maintained most pastures in fair to good condition with adequate feed supplies. Stock waters were in good supply. Cattle and calves were in fair to good condition.

Honolulu County

Near to above normal levels of rainfall, fell over most agricultural areas. The heaviest rains fell around the mid-May period. As a result, most pastures continued in good to very good condition. Even the drier leeward pastures received ample moisture to help maintain pastures in fair to good condition. The supply of forage feed was good. Year-to-date rainfall totals at all rain gages on the island were at near to above normal levels. Cattle and calves were also in fair to good condition.

Kauai County

Rainfall totals were variable throughout the island. Most northern sectors received near normal to above normal rainfall amounts, while rainfall totals elsewhere were more diverse. Most leeward pastures received lighter precipitation, with many eastern pastures receiving rainfall amounts in between these areas and at slightly below normal levels. Most pastures were in fair to good. Ranchers continue to report some yellow sugarcane aphid damage and infestation of horn flies. Cattle and calves were in fair to good condition.

Maui County

Rainfall totals across the county were above normal for the month of May. The lengthening of the days and the warming temperatures combined with the abundant rainfall to provide adequate forage for all pastures. This kept pastures in good to very good condition throughout the county. However, although this somewhat idyllic condition has encouraged new grass growth, it has also stimulated an increase in the growth and spread of weeds and aphids. 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.***

U.S. AGRICULTURAL OUTLOOK

Cattle/Beef

Beef Supplies Remain Tight

Beef production continues well below year-earlier levels, although slaughter and weights are rising seasonally. Beef exports are down sharply from a year earlier because of bans by major importers due to Bovine Spongiform Encephalopathy (BSE). Even with reduced exports and record imports, beef supplies remain tight, and retail beef prices are again rising. Reduced steer and heifer slaughter and lighter weights contributed to a 7-percent decline in beef production in the first quarter, and a similar decline is expected in the second quarter. In addition, beef production is also lower as cow slaughter has been sharply reduced due to the initial stages of beef cow retention and strong dairy prices. Fed cattle and beef prices across the board have surged this spring, but remain below the record levels set last fall. Strong demand for tight supplies of stocker/feeder/replacement cattle has resulted in another record setting surge in prices this spring.

Beef Trade

First-Quarter Beef Imports Surge

Demand for imported lean processing beef has increased to unprecedented levels as hamburger sales continue at a robust pace in the face of cyclically low cow slaughter. Leading fast food chains reported strong year-over-year same store sales in spite of high ground beef prices. The supply of domestic lean processing beef has fallen to near-term record lows amid an expected 14-percent decline in 2004 cow slaughter. As a result, 2004 beef imports are expected to increase 14 percent — to a record 3.4 billion pounds — to augment lean meat supplies. Imports in 2005 may be marginally smaller as imported supplies become more limited.

Beef imports in 2004 and 2005 assume imports from Australia and New Zealand remaining near historical levels. Record imports in 2004 are expected from South America and large imports are expected from Canada. Beef imports from Uruguay should remain high until its unusually large cattle inventory declines to a more normal level. A record-large inventory in Uruguay accumulated while beef exports remained banned between mid-2001 and mid-2003 because of foot-and-mouth disease. Imports of heat-treated product from Brazil and Argentina should remain high because of strong domestic demand for near-ready-to-eat microwavable foods.

Supplies Available To Meet U.S. Beef Import Demand

Record imports are likely in spite of increased exports to Japan and South Korea by Australia and New Zealand S two major U.S. beef suppliers S to substitute for banned U.S. beef in those markets. Firstly, such substitution potential is limited, as beef from Australia and New Zealand is not similar in quality to U.S. grain-fed beef because most of their beef is grass fed. Exports of fresh/chilled and frozen beef from Australia to Japan, for example, increased only 19 percent and 43 percent, respectively, from January to April 2004, compared with a year earlier.

Normally, Australian fresh/chilled and frozen beef each account for about 24 percent of Japan's total beef imports, with the United States supplying most of the remaining 52 percent. If the January-to-April trends in Australia's exports to Japan were to continue throughout the year, Australia would increase its fresh/chilled and frozen share of beef exports to 63 percent, respectively, of a "normal" sized Japanese market that might exist were U.S. beef not banned. However, Australian beef would only substitute for about 29 percent of the beef that otherwise might be supplied to Japan by the United States.

A second reason that international supplies may be adequate to supply record U.S. import demand is that Australia and New Zealand have redirected much of their traditional exports away from other countries to Japan, South Korea, and the United States. Combined trade data indicate that total beef exports from Australia and New Zealand have decreased by 65 percent to Canada from January through April, compared with last year, and by 4 percent to other countries (excluding the United States, Japan, and South Korea). Demand for processing beef in Canada has declined so dramatically because of the large supplies of cattle in the Canadian market, as reported in last month's newsletter.

BSE-related Restrictions Continue To Limit Beef Exports and Cattle Trade

Beef exports for 2004 are expected to reach only 451 million pounds, as only limited exports flow to Canada and Mexico — the only two major markets open to the United States. Both countries limit U.S. exports to boneless cuts from animals below 30 months of age. Exports to Canada and Mexico for the first 4 months of 2004 were only 5 percent and 14 percent, respectively, of year-earlier levels. Exports to both should increase but are likely to remain below pre-BSE levels.

Imports of significant numbers of feeder cattle from Mexico are the only sign of normal cattle trade.

Imports of live animals from Canada to the United States remain banned. While Canada allows imports of live cattle from the United States, large supplies of Canadian cattle have made that option unattractive. Mexico does not allow imports of live animals from the United States, but the United States imported 6 percent more feeder cattle from Mexico in the first quarter of 2004 than during the same period last year. These larger imports occurred in spite of higher-than-normal precipitation that fostered good forage conditions throughout Mexico during the winter. Periods of good forage conditions in Mexico tend to limit feeder cattle exports as animals are fed to heavier weights on pasture for export later, but stronger U.S. feeder cattle prices attracted feeder cattle imports.

The forecasts for both 2004 and 2005 are for imports of 1.3 million head of feeder cattle, all from Mexico. That would be 100,000 more than the United States imported from Mexico in 2003, a number that could go higher if dry conditions appear in Mexico later in 2004 and feeder cattle prices remain in the $95-$100 range.

Hogs/Pork

Hog Prices Sharply Higher

The live equivalent price of 51-52 percent lean hogs in May averaged $58.45 per cwt, almost 34 percent higher than May 2003. Hog prices will remain 'high' as long as domestic and foreign consumer demand for pork products remains strong and production steady. Second-quarter hog prices are expected to be between $54 and $55 per cwt, and between $47 and $48 per cwt for the year. Sustained consumer demand for pork will hold hog prices at between $45 and $49 per cwt in 2005.

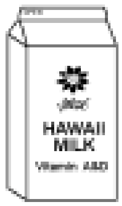
Pork production in the second quarter is expected to be 4.9 billion pounds, more than 3 percent higher than a year ago, but less than previously forecast. May hog slaughter was lower than expected, dropping slightly from the 1.9 million head pace seen weekly so far this year. Weekly slaughter numbers in June will likely be closer to what the industry handled prior to May. Given strong consumer demand — both domestic and foreign — it appears that processors are attempting to maximize throughput in order to achieve lower per-unit costs that accompany the scale economies of large weekly slaughter.

Based on production and trade expectations, per capita pork consumption this year is expected to be 51.7 pounds, or fractionally lower than last year. So far in 2004, consumers appear willing to pay higher prices for roughly the same quantity of pork consumed last year. Retail prices should average in the mid $2.70s per pound this year, or about 3 percent higher than in 2003. Sustained consumer demand into 2005 should yield an average retail pork price in the low $2.80s, or about 3 percent higher than this year, pointing to a slightly higher farm-to-retail spread in 2005.

The industry awaits USDA's June 25th release of the Hog and Pigs report for a fresh perspective on how producers' breeding decisions and intentions, in particular, may be responding to hog prices that, so far this year are higher than they have been since 1997.

Full text of stories covered above can be found at:
Source: ***Livestock, Dairy, and Poultry Outlook, June 17, 2004, Economic Research Service, United States Department of Agriculture.***
Internet web site: ***http://www.ers.usda.gov/publications/ldp/***

MAY MILK DOWN FROM LAST YEAR

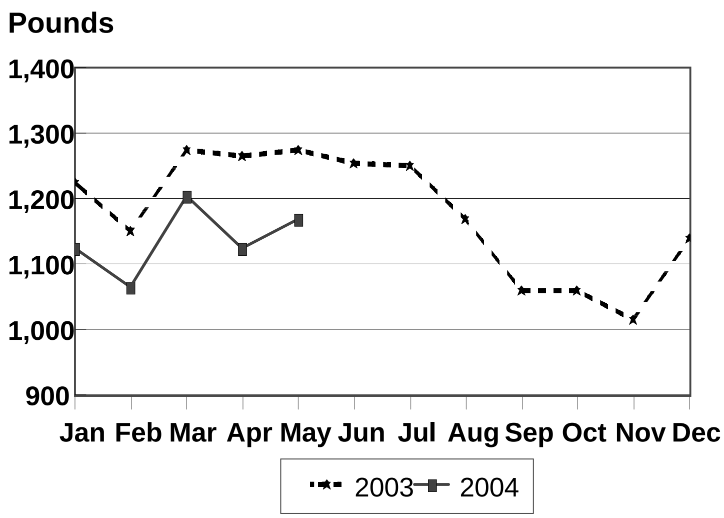


In May, Hawaii's dairy cows produced 7.5 million pounds of milk, compared to 8.3 million pounds in May 2003 and 7.2 million pounds in April 2004. The cow inventory, both dry and in milk, numbered 6,400 head, 100 down from May 2003 but unchanged from April 2004. The average output per cow in April was 1,170 pounds, 105 pounds less than the same month last year but 45 pounds greater than the previous month. Production for the first five months of this year was 9 percent below the comparable period in 2003 and totaling 36.6 million pounds.

U.S. MILK PRODUCTION

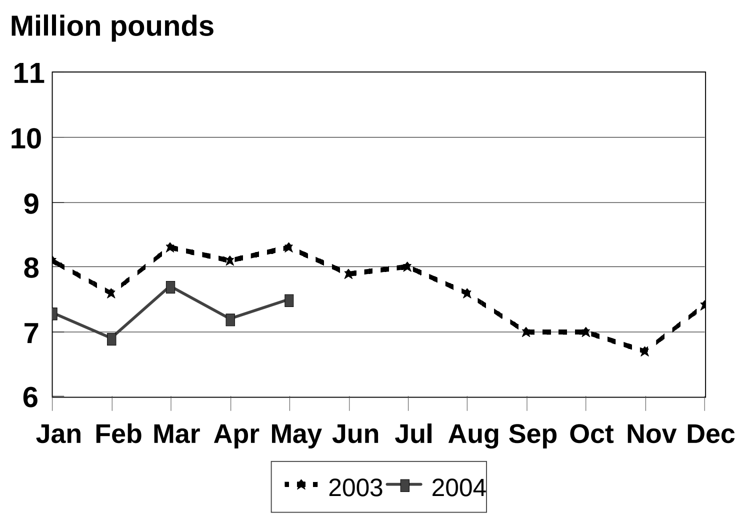
Milk production in the 20 major States during May totaled 13.0 billion pounds, down 0.1 percent from May 2003. April revised production, at 12.6 billion pounds, was down 0.8 percent from April 2003. The April revision represented an increase of 4 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,684 pounds for May, 13 pounds above May 2003. The number of milk cows on farms in the 20 major States was 7.72 million head, 71,000 head less than May 2003, and 5,000 head less than April 2004.

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



HAS

Total Milk Production, State of Hawaii, 2003-2004



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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]		Year-to-date	
	May 2003	Apr. 2004	May 2004	May 2003	May 2004	May 2003	May 2004	2003	2004
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,200	3,200	3,200	940	935	3,015	2,985	15,500	14,815
Honolulu	3,300	3,200	3,200	1,590	1,410	5,250	4,505	24,850	21,745
State	6,500	6,400	6,400	1,275	1,170	8,300	7,500	40,400	36,600

[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, May 2004

Commodity		May 2003	April 2004	May 2004
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	84.0	83.5	86.0
	- (live weight equivalent)	(46.1)	(45.8)	(47.2)
Cows [1]	*- dressed weight*	50.0	52.0	53.0
	- (live weight equivalent)	(27.5)	(28.5)	(29.1)
Market hogs [1 2]	*- dressed weight*	116.5	116.0	117.0
	- (live weight equivalent)	(87.4)	(87.0)	(87.8)
		dollars per 100 pounds		
Milk [3]		22.80	25.30	28.00
		cents per dozen		
Eggs [4]		98.5	111.0	113.0

[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.