HAWAII FIELD OFFICE

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

FREQUENCY: Monthly RELEASED: July 29, 2005

IN THIS ISSUE



## JUNE EGG PRODUCTION 4 PERCENT BELOW A YEAR AGO

Egg production during June totaled **9.3** million eggs (25,833 cases), 4 percent less than a year earlier, according to the office of the *Hawaii Field Office of USDA's National Agricultural Statistics Service.* The average number of layers on hand during June 2005 was 488,000, compared with 504,000 a year ago and 486,000 during May 2005. The average rate of lay was 1,906 eggs per 100 layers (63.5 percent lay rate) compared with 1,925 (64.2 percent) a year ago. Cumulative production of eggs for the first half of 2005 was 58.0 million eggs, 3 percent below the same period in 2004.

## U.S. EGG PRODUCTION

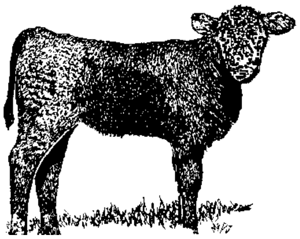
U.S. egg production totaled 7.34 billion during June 2005, up 1 percent from last year. Production included 6.25 billion table eggs, and 1.10 billion hatching eggs, of which 1.03 billion were broiler-type and 61 million were egg-type. The total number of layers during June 2005 averaged 341 million, down slightly from a year earlier. June egg production per 100 layers was 2,151 eggs, up 1 percent from June 2004.

All layers in the U.S. on July 1, 2005, totaled 340 million, down 1 percent from a year ago. The 340 million layers consisted of 281 million layers producing table or market type eggs, 56.0 million layers producing broiler-type hatching eggs, and 2.59 million layers producing egg-type hatching eggs. Rate of lay per day on July 1, 2005, averaged 72.3 eggs per 100 layers, up 1 percent from a year ago.

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

| County | Number of layers on hand during month | | | Eggs per 100 layer | | Total eggs produced | | | |
|---|---|---|---|---|---|---|---|---|---|
| | June 2004 | May 2005 | June 2005 | June 2004 | June 2005 | June 2004 | June 2005 | Year-to-date 2004 | Year-to-date 2005 |
| | Thousands | | | Number | | Millions | | | |
| Hawaii/Kauai/Maui | 121.2 | 110.0 | 106.7 | 1,717 | 1,798 | 2.08 | 1.92 | 14.00 | 12.90 |
| Honolulu | 382.8 | 376.0 | 381.3 | 2,007 | 1,935 | 7.62 | 7.38 | 45.70 | 45.10 |
| State | 504.0 | 486.0 | 488.0 | 1,925 | 1,906 | 9.70 | 9.30 | 59.70 | 58.00 |

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



## JUNE MARKETINGS 44 PERCENT BELOW YEAR AGO

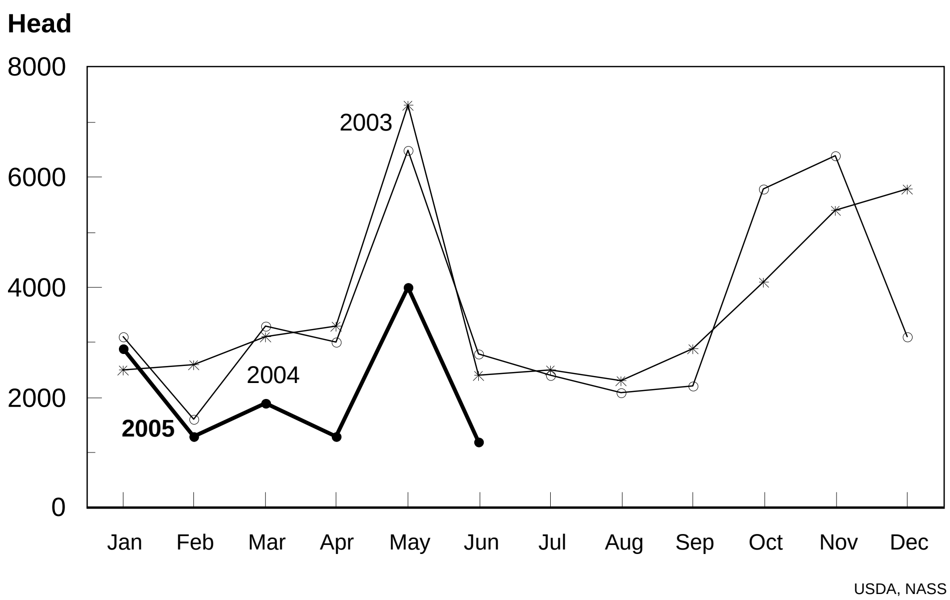
Cattle marketings during June totaled 2,000 head, compared with 3,600 head a year ago and 4,700 head during May 2005. A decline in out-of-state shipments accounted for the 44 percent drop in marketings. Exports during June 2005 decreased 57 percent from a year ago to 1,200 head. Cumulative marketings for the first half of 2005 was 17,200 head, a decrease of 32 percent from the same period a year earlier. Year-to-date exports for 2005 was 12,600 head, a decline of 38 percent from the same 6-month period in 2004.

Cattle Marketings, State of Hawaii, June 2005

| Month | Total Marketings [1] | | Exports [2] | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of Head [3] | | Number of Head | | | | | | Average Live Weight | |
| | | | Steers | | Heifers | | Total [3] | | | |
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| | head | | | | | | | | pounds | |
| June | 3,600 | 2,000 | 1,300 | 500 | 1,500 | 600 | 2,800 | 1,200 | 446 | 435 |
| Year-to-date [4] | 25,400 | 17,200 | 12,100 | 6,900 | 8,200 | 5,700 | 20,300 | 12,600 | 446 | 434 |

[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



## COMMERCIAL BEEF PRODUCTION 8 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during June 2005 totaled 497,000 pounds, compared with 461,000 pounds a year earlier. Commercial kill for June 2005 totaled 800 head, unchanged from a year ago. Average live weight per head, at 1,070 pounds, was 1 percent heavier than a year ago. Cumulative beef production for the first half of 2005 was 11 percent below the same period a year earlier.

## U.S. BEEF PRODUCTION

Beef production, at 2.23 billion pounds, was slightly above the previous year. Cattle slaughter totaled 2.94 million head, down 2 percent from June 2004. The average live weight was up 21 pounds from the previous year, at 1,246 pounds.

## PORK PRODUCTION 13 PERCENT LESS THAN A YEAR AGO

Commercial pork production during June 2005 totaled 311,000 pounds, compared with 359,000 pounds a year ago. Total hog kill of 1,900 head was 500 less than a year ago. Average live weight per head, at 215 pounds, was 7 percent heavier than a year ago. Year-to-date pork production for the first six months of 2005 was 11 percent less than the same period in 2004.

## U.S. PORK PRODUCTION

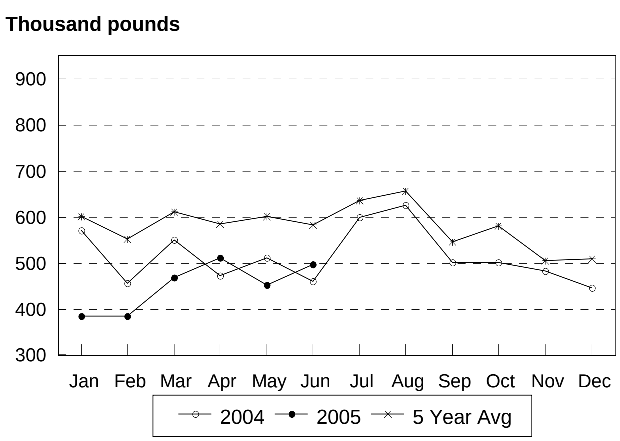
Pork production totaled 1.71 billion pounds, up 2 percent from the previous year. Hog kill totaled 8.55 million head, 1 percent above June 2004. The average live weight was 4 pounds above the previous year, at 268 pounds.

### Commercial slaughter, State of Hawaii, June 2005 [1]

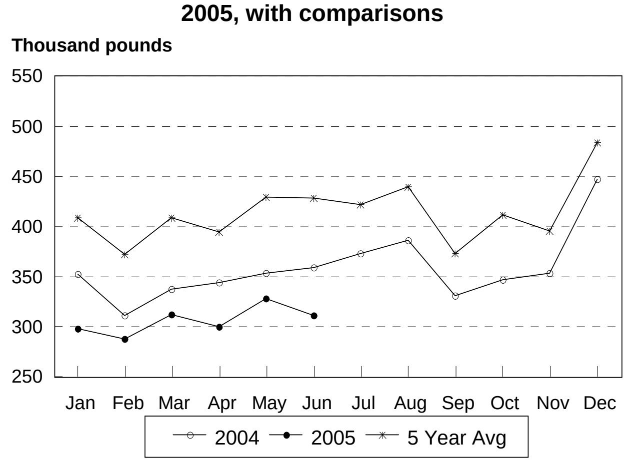
| Species | Number of head | | Average live weight | | Total live weight [2] | | Total dressed weight | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| | | | pounds | | 1,000 pounds | | | |
| Cattle | | | | | | | | |
| June | 800 | 800 | 1,062 | 1,070 | 839 | 905 | 461 | 497 |
| Year-to-date | 5,100 | 4,600 | | | 5,502 | 4,921 | 3,021 | 2,702 |
| Hogs [3] | | | | | | | | |
| June | 2,400 | 1,900 | 201 | 215 | 478 | 415 | 359 | 311 |
| Year-to-date | 13,700 | 11,700 | | | 2,746 | 2,449 | 2,061 | 1,837 |

[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**
**2005, with comparisons**



# PASTURE AND LIVESTOCK CONDITION, JULY 1, 2005

## Hawaii County

**Hilo and Puna:** After two months of dry weather, near normal to above normal rainfall fell over the district. Much of this precipitation occurred during the second half of June. This much needed moisture helped to stimulate some new grass growth to accompany the already adequate supply of dry feed on hand. Most pastures were in fair to good condition. Cattle and calves were in fair to good condition.

**Ka'u:** Light, below normal rainfall amounts kept most pastures in fair to poor condition. An increase in weed growth was prevalent in some of these lower elevation, dry pastures. Pastures located at the upper elevations were in better condition than those located at the lower elevations. Soil moisture levels were decreasing and stock water supplies were dwindling. Some mineral supplementation were occurring along with some water hauling. Cattle and calves were in good condition.

**Kona:** Although rainfall totals were generally below normal for most areas, timely showers provided sufficient moisture to maintain most upper elevation and Central and South Kona pastures in fair to good condition. On the other hand, most lower elevation and North Kona were dry and in fair condition. Nonetheless forage supplies in the district were adequate. Stock water levels were adequate, but slowly being reduced. Cattle and calves were in fair to good condition.

**Kohala:** Except for the Waikii area, which received above normal rainfall, all other areas of the district recorded receiving below normal rainfall totals. Soil moisture levels in some areas were rapidly dwindling leaving pastures in fair condition. Forage supplies in most areas were adequate but were quickly drying out. Most coastal and lower elevation pastures were dry and in poor condition. The infestation of the Senecio weed continue to spread to more grazing areas. Cattle and calves were in fair to good condition.

**Hamakua:** Precipitation was generally light, a slight increase in shower activities during the second half of the June helped to keep most pastures in fair to good condition. In general, lower and middle elevation pastures faired better than higher elevation pastures. Most grazing areas had an adequate supply of forage feed on hand. Stock water supply levels were declining. Cattle and calves were in fair to good condition.

## Honolulu County

Rainfall totals were mostly light for the month of June. Although several windward areas received near to above normal rainfall, many other windward locations received below normal rainfall. Most central and leeward area pastures registered below normal rainfall totals. Most windward pastures were still in good condition, while nearly all leeward pastures were dry and in fair to poor condition. Brush fires continue to plague some pastures. Cattle and calves were in fair to good condition.

## Kauai County

After three consecutive months of dry weather, much of the county became the recipient of near normal to above normal rainfall. However, most of this rainfall occurred around the later part of the middle of the month, with much of the rest of the month being on the drier side. This much needed precipitation stimulated new forage growth and improved pasture condition. Cattle and calves were in good condition.

## Maui County

Rainfall totals for the month were variable. Although many areas continued to receive below normal rainfall, many other areas received above normal rainfall. This resulted in mixed pasture conditions throughout the county. Most windward facing and upper elevation pastures received adequate moisture to help maintain pastures in fair to good condition. Drier conditions still persisted throughout most of the leeward facing areas, leaving most of those pastures in fair to poor condition. Cattle and calves were in fair to 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.***

**NOTE:** On the evening of July 14, 2005, the Ninth District Court of Appeals lifted the preliminary injunction that blocked implementation of the BSE minimal risk regions rule. Because the ruling is effective immediately, the Department is taking steps to resume the importation of cattle under 30 months of age from Canada. The present forecasts assumed the border would be open August 1. Updated forecasts will be released in the August *World Agricultural Supply and Demand Estimates* on August 12 and the *Livestock, Dairy, and Poultry Outlook* on August 18.

## Cattle/Beef

### Beef Prices Gain Relative to Competing Meats

Cattle and beef prices strengthened as the cattle inventory reached the low point in the cattle cycle, and beef production declined. Although the cattle sector has been reducing cow slaughter and retaining heifers for the expansion phase of the new cattle cycle, beef production will not begin to expand to a large degree until mid-2007. Cow-calf operators, after suffering through drought in many areas from 1998 through 2004, are now able to expand due to improved forage conditions and continued strong prices for their calves. However, feedlot and stocker operator returns have been very erratic due to the record stocker/feeder cattle prices and difficulty in passing the higher calf prices on in the marketing system against relatively lower priced competing meats.

### Herd Expansion Continues

First-half female slaughter continues to decline fairly sharply. Total cow slaughter was down 7 percent, with beef cow slaughter down 8 percent and dairy cow slaughter down 5 percent. Similarly heifer slaughter is down 7 percent compared with first-half 2004. The mid-year *Cattle* report to be released July 22, will give a firmer indication of just how strong a herd expansion is under way. In addition the report will provide the first estimate on this year's calf crop, expected to show the first year-to-year gain since 1994. The number of heifers being retained will provide a first cut on the 2006 calf crop and rate of production expansion beginning in mid-2007 when the 2006 calf crop begins to be marketed from feedlots.

### Spring Choice Beef Prices Set Record

In 2001 and 2002 retail prices for Choice beef averaged $3.35 a pound, while pork and broilers averaged $2.68 and $1.60 a pound, respectively. In 2004 beef prices had risen to $4.04 a pound, while pork and poultry averaged $2.79 and $1.74 a pound. In the second quarter of this year beef prices averaged a record $4.23 a pound. Pork prices averaged $2.87 a pound and broilers averaged $1.73 a pound. The beef/pork price ratio in 2001-2002 was 1.25, while in the second quarter it widened to 1.48. The beef/broiler price ratio has widened from 2.09 in 2001-2002 to 2.45. The near-record beef prices provide evidence of the present strong consumer demand for beef, but it also raises concern about the relatively high prices today against competing meats. In addition, higher petroleum, energy, and interest costs are taking a bigger bite out of consumers' discretionary incomes.

Second-quarter retail prices for Choice beef set a record this spring at $4.23 a pound, up nearly 2 percent from the former record set in fourth-quarter 2003 at $4.17 a pound and up over 3 percent from a year earlier. Beef prices have likely set the highs for the turning point of this cattle cycle as beef supplies increase seasonally in the second half of the year and as cattle under 30 months of age enter the market from Canada. Pork and broiler production are expected to rise 3 to 4 percent over year-earlier levels in the second half of 2005, putting additional pressure on the relatively more expensive beef. After averaging $4.26 a pound in April and May, Choice retail beef prices declined to $4.18 a pound in June, about unchanged from June 2004.

### Cattle Prices Also at Record Levels

Cattle prices continued on a record setting path in the first half of this year with fed cattle prices averaging in the upper $80s per cwt and Utility cows averaging in the upper $50s, both the result of tight beef supplies and continued strong beef demand. First-half beef production was down over 1 percent from a year earlier and down nearly 10 percent from 2003 when the May 20 ban on Canadian beef /cattle due to Bovine Spongiform Encephalopathy (BSE) was implemented. The ban on Canadian boneless beef from cattle under 30 months of age was lifted in August 2003.

First-half prices for yearling feeder cattle were sharply above the year-earlier levels as tight supplies resulted in strong competition between cattle feeders and stocker operators. Producers in most of the country are experiencing the best grazing conditions in years. Although cattle feeders were in the black this spring, breakeven prices by mid-summer are moving toward the mid- to upper-$80s per cwt, reflecting record feeder cattle prices and modestly higher grain prices. Fed cattle prices are expected to average in the lower $80s this summer, putting margins in the red and taking some of the bloom off feeder cattle prices. Expected marginally larger feeder cattle supplies from this year's calf crop will also take some of the premium off stocker/feeder cattle prices.

## Hogs/Pork

### Quarterly Hogs and Pigs Shows Modest Breeding Increases

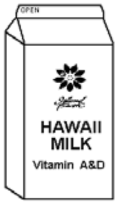
The information reported in the *Quarterly Hogs and Pigs* for June 1 suggests that the U.S. pork industry plans to increase pork production by modestly expanding breeding herd numbers. The June 1 inventory of animals kept for breeding showed a 1-percent increase over June 2004. Expansionary effects of the larger breeding herd appear to be tempered by a steady, rather than an aggressive breeding program. Second-half farrowing intentions indicate that producers intend to farrow about the same number of females in the June-November period of this year as they did in the second half of last year.

The report provides more evidence that increases in breeding herd productivity, rather than increases in breeding animal numbers alone, are an increasingly important means of expanding U.S. pork production. For all U.S. hog operations, the number of pigs per litter has increased from 8.28 in 1995, to 8.98 for the first half of 2005, an increase of more than 8 percent. Increasingly productive breeding herds, together with heavier average dressed weights and imported Canadian feeder pigs and slaughter hogs, contribute to increases in U.S. commercial pork production, as U.S. breeding herd numbers trend lower over the long term.

U.S. pork production in 2005 is expected to be 20.8 billion pounds, 1.6 percent above production in 2004. Next year, production is expected to increase 1.4 percent to 21.1 billion pounds. The June price of 51-52 percent live equivalent hogs was $49.86 per cwt, 14 percent lower than a year ago. Second-quarter prices were $52.09 per cwt, about 5 percent lower than the second quarter last year. For 2005, hog prices are expected to range between $47 and $49 per cwt. Prices next year are expected to be somewhat lower, but above most producers' breakeven, ranging between $43 and $47 per cwt.

***Full text of stories covered above can be found at:***
***Source:*** ***Livestock, Dairy, and Poultry Outlook, July 18, 2005, Economic Research Service, United States Department of Agriculture.***
***Internet web site:*** ***http://www.ers.usda.gov/publications/ldp/***

# MILK OUTPUT FOR JUNE AND 1ST HALF OF YEAR LOWER

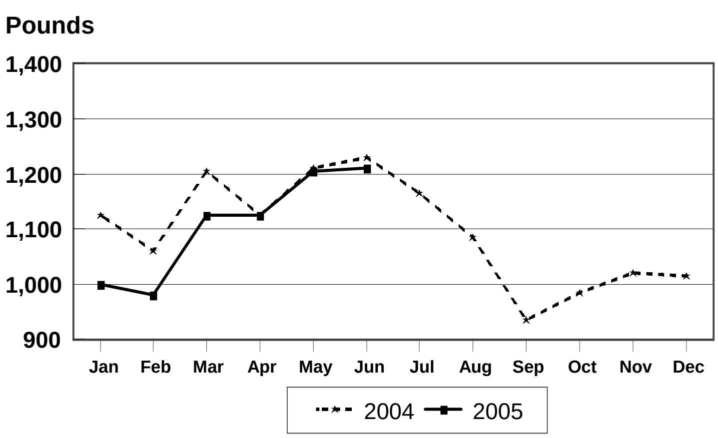



In June, Hawaii's dairy cows produced 6.3 million pounds of milk compared with 7.5 million pounds for June of last year and 6.5 million pounds in May of this year. The dairy herd of cows both dry and in milk numbered 5,200 head, down 900 from June 2004 and 200 head below May 2005. The average output for cows in June was 1,210 pounds, 20 pounds below June 2004 but 5 pounds above May 2005. Production for the first half of 2005 totaled 36.7 million pounds, down 17 percent from the January-June period in 2004.

## U.S. MILK PRODUCTION

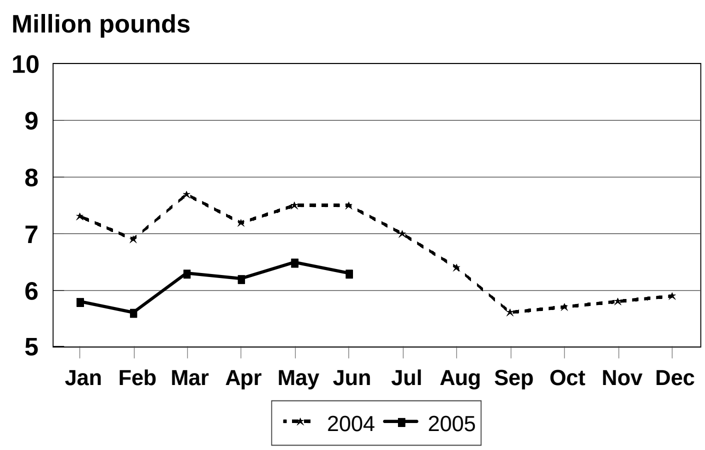
Milk production in the 23 major States during June totaled 13.7 billion pounds, up 5.4 percent from June 2004. May revised production, at 14.3 billion pounds, was up 4.6 percent from May 2004. The May revision represented an increase of 26 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,683 pounds for June, 76 pounds above June 2004. The number of milk cows on farms in the 23 major States was 8.13 million head, 47,000 head more than June 2004, and 9,000 head more than May 2005.

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




USDA, NASS

**Total Milk Production, State of Hawaii, 2004-2005**




USDA, NASS

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

| County | All milk cows [1,2,3] | | | Milk per cow [3] | | Milk production [1,3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| | June 2004 | May 2005 | June 2005 | June 2004 | June 2005 | June 2004 | June 2005 | Year-to-date 2004 | Year-to-date 2005 |
| | - - - - - - Number - - - - - - | | | - - - Pounds - - - | | - - - - - - - - - - 1,000 pounds - - - - - - - - - - | | | |
| Hawaii | 3,200 | [4] | [4] | 940 | [4] | 3,005 | [4] | 17,830 | [4] |
| Honolulu | 2,900 | [4] | [4] | 1,550 | [4] | 4,490 | [4] | 26,260 | [4] |
| State | 6,100 | 5,400 | 5,200 | 1,230 | 1,210 | 7,500 | 6,300 | 44,100 | 36,700 |

[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, June 2005

| Commodity | | June 2004 | May 2005 | June 2005 |
|---|---|---|---|---|
| | | cents per pound | | |
| **Range steers and heifers** [1] | *- dressed weight* | 86.5 | 92.5 | 92.0 |
| | *- (live weight equivalent)* | (47.5) | (50.8) | (50.5) |
| **Cows** [1] | *- dressed weight* | 50.0 | 50.0 | 51.0 |
| | *- (live weight equivalent)* | (27.5) | (27.5) | (28.0) |
| **Market hogs** [1 2] | *- dressed weight* | 119.5 | 118.0 | 118.0 |
| | *- (live weight equivalent)* | (89.6) | (88.5) | (88.5) |
| | | dollars per 100 pounds | | |
| **Milk** [3] | | 29.40 | 27.40 | 26.40 |
| | | cents per dozen | | |
| **Eggs** [4] | | 110.0 | 96.0 | 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.