HAWAII AGRICULTURAL STATISTICS SERVICE

NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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

FACT FINDERS FOR AGRICULTURE

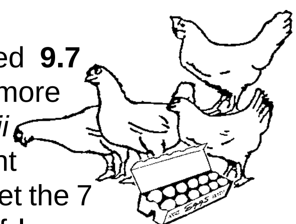
U.S. DEPARTMENT OF AGRICULTURE
Phone: (808) 973-9588
FAX: (808) 973-2909

FREQUENCY: Monthly

RELEASED: October 23, 2003

IN THIS ISSUE

SEPTEMBER EGG PRODUCTION 7 PERCENT ABOVE A YEAR AGO



Egg production during September, totaled **9.7** million eggs (26,944 cases), 7 percent more than a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 15 percent increase in the average rate of lay had offset the 7 percent decline in the average number of layers on hand from a year ago. The average number of layers on hand during September 2003 was 499,000, compared with 537,000 a year ago, and 505,000 during August. The average rate of lay was 1,944 eggs per 100 layers (64.8 percent lay rate) compared with 1,695 (56.5 percent) a year ago. Cumulative egg production for the first three-quarters of 2003 was unchanged from the same 9-month period in 2002.

U.S. EGG PRODUCTION

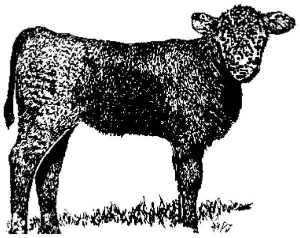
U.S. egg production totaled 7.05 billion during September 2003, down 1 percent from last year. Production included 6.04 billion table eggs and 1.02 billion hatching eggs, of which 961 million were broiler-type and 55.0 million were egg-type. The total number of layers during September 2003 averaged 332 million, down 2 percent from a year earlier. September egg production per 100 layers was 2,127 eggs, up slightly from September 2002. September 2003 contained 22 weekdays, one holiday and four Saturdays, compared to September 2002, with 21 weekdays, one holiday and four Saturdays.

All layers in the U.S. on October 1, 2003, totaled 331 million, down 2 percent from a year ago. The 331 million layers consisted of 274 million layers producing table or commercial type eggs, 54.8 million layers producing broiler-type hatching eggs, and 2.35 million layers producing egg-type hatching eggs. Rate of lay per day on October 1, 2003, averaged 71.2 eggs per 100 layers, up 1 percent from a year ago. Laying flocks in the 30 major egg producing States produced 6.58 billion eggs during September 2003, down 2 percent from a year ago. The average number of layers during September, at 309 million, was down 2 percent from a year ago. .

Number of layers and egg production, State of Hawaii, September 2003 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Sept. 2002	Aug. 2003	Sept. 2003	Sept. 2002	Sept. 2003	Sept. 2002	Sept. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	129	120	115	1,638	2,043	2.1	2.4	21.3	21.6
Honolulu	408	385	385	1,713	1,902	7.0	7.3	66.4	66.0
State	537	505	499	1,695	1,944	9.1	9.7	87.7	87.7

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



SEPTEMBER MARKETINGS 21 PERCENT ABOVE YEAR AGO

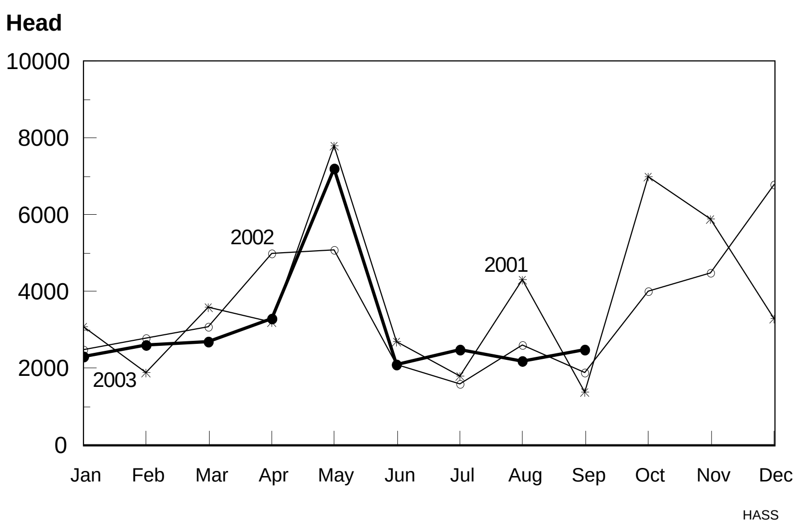
Cattle marketings during September totaled 3,400 head, compared with 2,800 head a year ago and 3,100 head during August 2003. An increase in out-of-state shipments accounted for the 21 percent increase in marketings when compared with a year earlier. Year-to-date marketings of 35,700 head was 1 percent above the same 9-month period in 2002. The number of cattle and calves shipped out-of-State during September totaled 2,500 head compared with 1,900 a year earlier and 2,200 during August. Cumulative out-of-state shipments during 2003 totaled 27,400 head, 3 percent above the same period in 2002.

Cattle Marketings, State of Hawaii, September 2003

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	head								pounds	
September	2,800	3,400	1,200	1,300	700	1,200	1,900	2,500	420	454
Year-to-date [4]	35,500	35,700	15,800	15,300	10,900	12,000	26,700	27,400	441	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, 2001-2003



SLAUGHTER CATTLE (U.S.)

Weekly Simple Average of Daily Quotations, Choice 2-4

Dollars per 100 pounds

Week ending	Steers (1,100 - 1,300 pounds)	Heifers (1,000 - 1,200 pounds)
from Sioux Falls		
8-09-03	78.50	78.00
8-23-03	80.50	80.25

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

DONALD A. MARTIN
State Agricultural Statistician
REGINA W. HIDANO
Agricultural Statistician
NILS K. MORITA
Research Statistician

STEVE GUNN
Deputy State Agricultural Statistician
JOYCE JAY
Statistical Assistant
KAREN A. LEE
Statistical Assistant

Contributing by County
Robert Miyake — Hawaii
Naomi Landgraf — Maui
June Okamura — Kauai, Honolulu
Wendell Au — Honolulu

COMMERCIAL BEEF PRODUCTION 2 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during September 2003 totaled 525,000 pounds, compared with 538,000 pounds a year earlier. Commercial kill for September 2003 totaled 900 head, the same as a year ago. Average live weight per head, at 1,034 pounds, was 4 percent lighter than a year ago. Cumulative production for the first nine months of 2003 was 4.8 million pounds, 6 percent less than the same period in 2002.

U.S. BEEF PRODUCTION

Beef production, at 2.31 billion pounds and a monthly record high, was 5 percent above the previous year. Cattle slaughter totaled 3.12 million head, up 9 percent from September 2002. The average live weight was down 36 pounds from the previous year, at 1,227 pounds.

PORK PRODUCTION DOWN 7 PERCENT FROM A YEAR AGO

Commercial pork production during September 2003 totaled 347,000 pounds, compared with 374,000 pounds a year ago. Total hog kill of 2,200 head was 200 less than a year ago. Average live weight per head, at 205 pounds, was 1 percent lighter than a year ago. Year-to-date production for the first 9 months of 2003 was 3.4 million pounds, 9 percent less than the same period in 2002.

U.S. PORK PRODUCTION

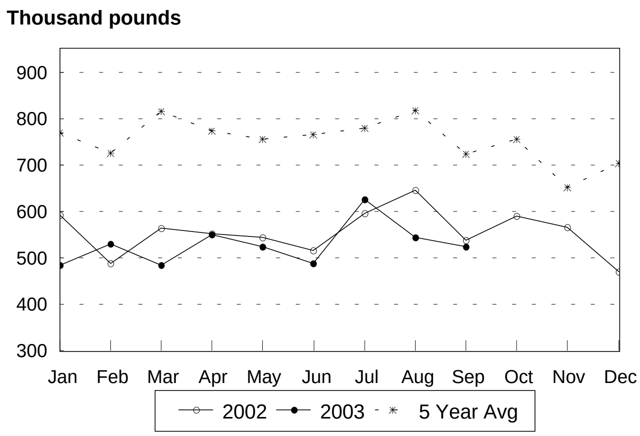
Pork production totaled 1.66 billion pounds, a monthly record high, up 2 percent from the previous year. Hog kill totaled 8.55 million head, 1 percent above September 2002. The average live weight was 3 pounds above the previous year, at 263 pounds.

Commercial slaughter, State of Hawaii, September 2003 [1]

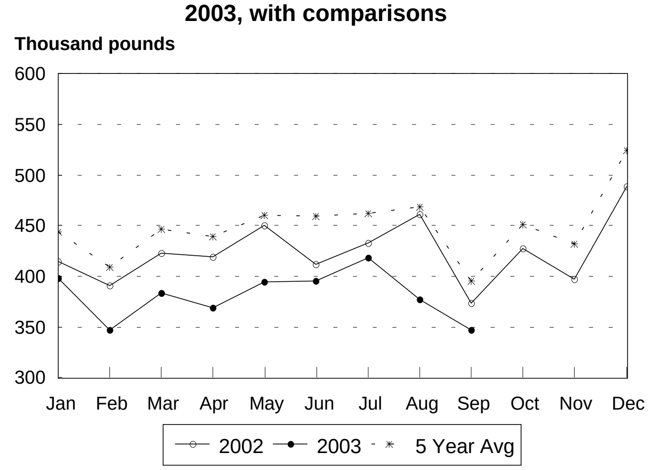
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2002	2003	2002	2003	2002	2003	2002	2003
			- - - - - - pounds - - - - - -		- - - - - - 1,000 pounds - - - - - -			
Cattle								
September	900	900	1,082	1,034	980	956	538	525
Year-to-date	8,800	8,300			9,177	8,667	5,038	4,758
Hogs [3]								
September	2,400	2,200	208	205	499	462	374	347
Year-to-date	23,800	21,800			5,037	4,572	3,778	3,429

[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 2003, with comparisons



Commercial Pork Production, State of Hawaii 2003, with comparisons



PASTURE AND LIVESTOCK CONDITION, OCTOBER 1, 2003

Hawaii County

Hilo and Puna: Nearly half of the month's rainfall total fell during the first two days of September, due to the passing of Hurricane Jimena south of the island. That combined with almost daily trade wind showers for much of the remainder of the month provided for near normal to above normal rainfall totals for the Hilo and Puna areas. This helped to keep most pastures in good condition. However, sunny, hot, and dry weather closed out the month and may cause pasture conditions to change in October. Upper elevation Mauna Kea pastures received some beneficial showers to provide for some new grass growth. Stock water supplies were at adequate levels. Most of the cattle and calves were in good condition.

Ka'u: The very dry condition which existed for much of 2003 was partially alleviated (although year-to-date rainfall totals continued well below normal) by the rainfall received from the passing of Hurricane Jimena south of the island on September 1. Intermittent showers during the remainder of the month helped to stimulate new grass growth and improve pasture condition to fair to good. However, the increase in moisture also quickened the spread of some invasive weeds. Stock water supplies were adequate. Most of the cattle and calves were in fair to good condition.

Kona: Kona was the only district which did not benefit from the passing of Hurricane Jimena. Almost daily rainfall, during the first half of the month, benefitted most pastures around Central and South Kona. New grass growth was good and pastures were in fair to good condition. However, dry conditions returned during the last week of the month. North Kona pastures continued dry and were in fair to poor condition, with coastal pastures remaining very dry. Stock water levels were diminishing. Cattle and calves were in fair to good condition with some supplements being fed.

Kohala: Showers during the first half of the September stimulated new grass growth, but dry weather during the second half of the month slowed their growth. Most leeward pastures continued very dry and in poor condition. Stock water supplies were adequate. Cattle and calves were in fair to good condition, with some supplement being fed.

Hamakua: Heavy rainfall from Hurricane Jimena along with lights showers during much of the first half of September, helped to provide good forage supplies for coastal and mid-elevation pastures. Upper elevation pastures received some good showers early in the month, but the return of hot, dry weather for the remainder of the month hindered any grass growth and kept pastures in poor, dry condition. Some water hauling was necessary. Cattle and calves were in fair to good condition.

Honolulu County

The central to northern portions of windward Oahu received above normal rainfall totals for the month, with the central portion receiving over half of their month's rainfall total on September 10. Elsewhere, very dry conditions prevailed throughout the month. Windward pastures were in slightly better condition then leeward pastures. In general, pastures were in fair to poor condition. Cattle and calves were in fair condition, with the feeding of supplements.

Kauai County

In general, rain gages located along the northern (the driest area for the month) and western sectors recorded below normal rainfall totals, while rain gages located along the eastern and southern portions recorded rainfall totals nearer normal. Most pastures on the island were dry and in only fair to poor condition. Forage supplies were available but in limited amounts. Cattle and calves were in fair to good condition.

Maui County

Weather for the county was mixed, with only a few areas receiving above normal rainfall, with most of the other areas remaining relatively dry. The Kihei rain gage recorded no rainfall for the third month in a row and for 5 out of the last 6 months. Most of the pastures in the county were dry and in poor to fair condition. In general, windward pastures were in better condition than pastures located on the leeward side. Supplements were being fed to help maintain the livestock. 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.***

Feed Supply

Crop Production Report Indicates Mixed Feed Supply Conditions

The October ***Crop Production*** report indicated larger hay and corn crops, and reduced soybean production. Implications for livestock and poultry feeding include lower than previously expected corn prices and higher soybean meal prices.

The 2003 hay crop was estimated at 160.7 million tons, up 6 percent from a year earlier. Alfalfa hay production was up 6 percent from 2002, while other hay production was up 7 percent. This was a large crop considering the problems many producers had with conditions that were too wet or too dry. Prices for other hay reflect the continued tight grazing conditions in many areas and the need to rebuild hay stocks.

The farm price of Alfalfa hay in September averaged $89 a ton, down from $101 a year earlier. However, the farm price of other hay averaged $70.10 a ton, down only marginally from $71.40 a year earlier. Although the production of other hay has increased, supplemental feeding has been necessary in many areas already this year. In addition, poor harvest conditions likely reduced forage quality in many areas.

Corn production estimates have increased since last month and now are expected to be at record levels. Beginning and ending corn stocks were also increased. The farm price of corn was lowered to $1.90 to $2.30 a bushel, down from the September estimate of $2.10 to $2.50, and last year's $2.32 average. On the other hand the soybean estimates have been lowered sharply since September. Soybean production was lowered 7 percent from the September estimate and 10 percent from 2002. Soybean meal prices are projected at $185 to $215 per short ton, up $15 from the September estimate, and up from $181.60 a year earlier.

Cattle/Beef

Cow/Heifer Slaughter Remains Large

Although cattle prices are at record levels, producers exhibit little inclination toward herd expansion. Continued poor forage conditions in many areas and uncertainties over domestic cattle/beef prices stemming from the confirmation of a single cow with BSE in Canada on May 20 have resulted in more expansion caution. In addition, the opportunity cost of retaining heifers, even in areas with adequate forage, is very high. Consequently, female slaughter remains very large. Third-quarter heifer slaughter is paralleling the record levels of the mid-1970's. Granted heifers on feed are being pulled ahead of normal marketing dates to support beef production, but there is little evidence to suggest any movement toward herd expansion. Similarly total cow and dairy cow slaughter this summer will likely be the largest since 1997, which was the second year of herd liquidation in this cattle cycle. Beef cow slaughter is the largest since 1998. The dairy sector continues to adjust cow inventories down in response to poor returns, while the beef cattle sector remains concerned with forage uncertainties in many areas, and, given the record prices for feeder cattle, faces a high opportunity cost for retaining replacement heifers.

Record Prices Pull Fed Cattle Marketings Forward

At the beginning of the third quarter, cattle on feed inventories were 5 percent below a year earlier. However, with the ban on Canadian beef and cattle imports, and continued very strong domestic and export demand for beef, prices were forced to record levels to pull fed cattle marketings ahead of schedule. In late summer/early fall, weekly steer and heifer federally inspected slaughter weights were averaging about 35 pounds below a year earlier. To maintain beef production near year-earlier levels, given the reduced slaughter weights, steer and heifer slaughter increased nearly 3 percent. The situation seems to becoming even tighter as markets enter the fall quarter. Much of the sharp price increase through late summer was for the higher quality beef. In September, Choice boxed beef prices averaged $156.55 per cwt, about 40 percent above a year earlier. Select beef prices were up about 20 percent. These dramatic price increases served to ration the extremely tight supply of higher quality beef. However, as fed cattle supplies have been pulled ahead and slaughter weights have been held down, end users are increasingly shifting to Select beef. In early fall, even Select beef supplies are tightening and as end-users are rationed out of the Choice/Prime beef market, competition for the relatively more available supplies of Select beef will also be rationed with higher prices.

Although a permit system allows imports of certain boneless beef products from slaughter plants limited to slaughtering cattle under 30 months of age increased imports have been slow to materialize. Imports remain well below year-earlier levels, but appear to be increasing as more permits are issued. Although feedlot placements have risen sharply this summer, feeder cattle supplies are already down sharply. This year's calf crop is expected to be 38 million head, the smallest calf crop since 1951. Any movement toward retaining heifers being weaned this fall for possible breeding next spring and summer will tighten supplies further. Supplies will continue to tighten until additional beef and/or slaughter/feeder cattle begin to be imported from Canada. A rulemaking process, in coordination with the International Office of Animal Health and major beef market participants, is in process to determine conditions under which trade may resume, particularly for countries with strong prevention protocol and only a very limited outbreak.

Regardless of what happens with Canada, beef supplies will remain very tight over the next couple of years. Increased supplies are simply not biologically possible until at least 2006, unless something happens to force increased herd liquidation. Increased liquidation due to drought and larger feedlot placements and slaughter in the short run would only further reduce beef supplies in the future.

Hogs/Pork

Quarterly Hogs and Pigs Report Tracks with Expectations

The *Quarterly Hogs and Pigs* report issued by USDA on September 26, was in line with previous expectations for breeding decisions, litter rates, and pig crop for the remainder of 2003 and into 2004. Based on the report, about 2.3 percent fewer sows will farrow this year than in 2002. With litter rates expected to increase less than 1 percent over last year, the total pig crop for 2002 is expected to fall almost 2 percent below last year. The smaller pig crop is expected to translate into a total 2003 slaughter that is only 1 percent below 2002, however, and pork production is expected to be fractionally above last year. It appears that the smaller pig crop this year — brought about by breeding herd reduction in 2002 — is being offset by larger U.S. imports of Canadian hogs and slightly higher dressed weights.

U.S. hog imports and heavier dressed weights will likely be key factors next year as well. If U.S. producers' stated breeding intentions are realized in the first quarter of 2004, and further farrowings and litter rates increase modestly, the pig crop will about equal that of 2003. However, 2004 slaughter and pork production are expected to increase slightly — by less than 1 percent — largely because the United States is expected to import 6.9 million Canadian hogs, and dressed weights are expected to increase by about 1 pound.

United States to Import More than 7 Million Canadian Hogs in 2003

Weekly live hog import data published by USDA/APHIS indicate that the United States imported over 2 million hogs in the third quarter. Total U.S. imports of live hogs for 2003 will likely reach 7 million head, a record high. A comparatively large percentage of third quarter hog imports S 37 percent S were slaughter hogs, a situation fueled by the temporary closure of a slaughter facility in Manitoba, which has since reopened. Another reason for the record-high hog imports from Canada is the lower Canadian slaughter. Third quarter slaughter in Canada was almost 2 percent below a year ago, a probable reflection of weak slaughter margins. Factors pressuring Canadian margins include increased year-over-year hog supplies, and a stronger Canadian dollar that makes Canadian pork products less competitive in foreign markets.

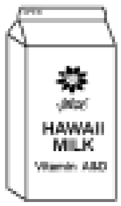
2004 Hog Imports to Dip Slightly Compared With Record High Imports This Year

Next year, total U.S. hog imports are expected to decline slightly to 6.9 million head, a reduction of about 2.5 percent from 2003. Expectations for fewer slaughter hog imports, smaller growth of the Canadian slaughter together point to smaller U.S. hog imports next year.

The proportion of feeder pigs to slaughter hogs is expected to return to past trends next year. About 70 percent of U.S. hog imports next year will likely be feeder animals, with the remaining 30 percent largely comprised of slaughter hogs. By comparison, this year the feeder pigs to slaughter hog ratio is expected to average about 68 percent feeder pigs and 32 percent slaughter animals.

Source: ***Livestock, Dairy, and Poultry Outlook, October 17, 2003, Economic Research Service, United States Department of Agriculture.***

SEPTEMBER MILK OUTPUT DOWN 7 PERCENT FROM LAST YEAR

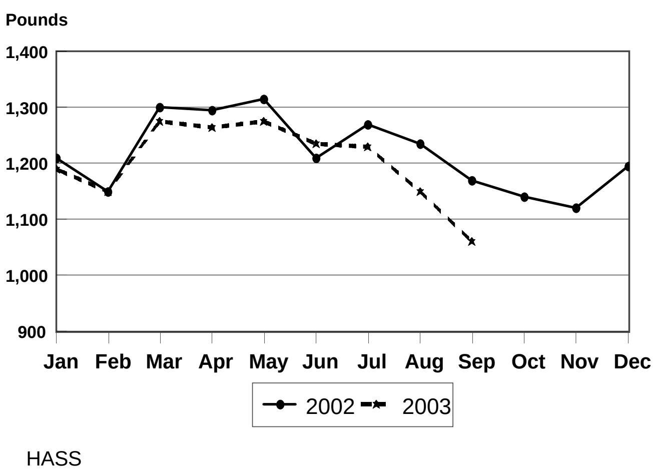


In September, Hawaii's dairy cows produced 7.0 million pounds of milk, compared to 7.5 million pounds in September 2002 and 7.6 million in August 2003. The cow inventory, both dry and in milk, numbered 6,600 head, 200 above September last year but unchanged from August this year. The average output per cow is 1,060 pounds in September, 110 pounds less than the same month last year and 90 pounds lower than August this year. Milk production for the first three quarters of 2003 totaled 70.9 million pounds, a 4 percent decline from the comparable period in 2002.

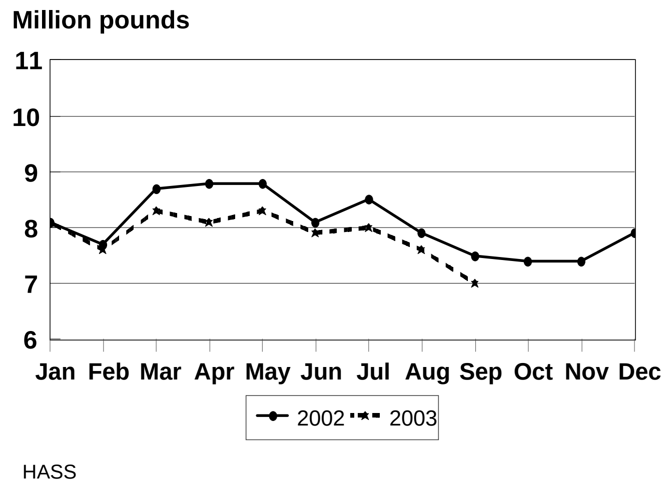
U.S. MILK PRODUCTION

Milk production in the 20 major States during September totaled 11.6 billion pounds, down 0.1 percent from September 2002. August revised production, at 12.1 billion pounds, was down 0.9 percent from August 2002. The August revision represented a decrease of 0.1 percent or 17 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,503 pounds for September, 6 pounds more from September 2002. The number of milk cows on farms in the 20 major States was 7.74 million head, 38,000 head less than September 2002, and 7,000 head less than August 2003.

Milk Production Per Cow, State of Hawaii, 2002-2003



Total Milk Production, State of Hawaii, 2002-2003



Milk cows and milk production, State of Hawaii, September 2003

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Sept. 2002	Aug. 2003	Sept. 2003	Sept. 2002	Sept. 2003	Sept. 2002	Sept. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	2,970	3,400	3,300	965	825	2,860	2,715	26,505	26,840
Honolulu	3,400	3,200	3,300	1,355	1,300	4,605	4,290	47,560	44,090
State	6,400	6,600	6,600	1,170	1,060	7,500	7,000	74,100	70,900

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2003 are preliminary.

Average farm prices, State of Hawaii, September 2003

Commodity		September 2002	August 2003	September 2003
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	75.5	77.5	77.5
	- (live weight equivalent)	(41.4)	(42.5)	(42.5)
Cows [1]	*- dressed weight*	49.5	55.5	56.5
	- (live weight equivalent)	(27.2)	(30.5)	(31.0)
Market hogs [1 2]	*- dressed weight*	117.5	115.0	115.0
	- (live weight equivalent)	(88.1)	(86.3)	(86.3)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		23.30	24.40	25.30
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		83.0	86.0	86.0

[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.