HAWAII AGRICULTURAL STATISTICS
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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SEPTEMBER EGG PRODUCTION 2 PERCENT BELOW YEAR AGO

Egg production during September, totaled **9.5** million eggs (26,389 cases), 2 percent lower than a year earlier, according to the *Hawaii Agricultural Statistics.* The 2 percent decrease in production was the result of the decline in the average rate of lay, since the average number of layers on hand, during September, was only slightly above a year earlier. The average number of layers on hand during September 2004 was 501,000, compared with 499,000 a year ago and 497,000 during August 2004. The average rate of lay was 1,896 eggs per 100 layers (63.2 percent lay rate) compared with 1,944 (64.8 percent) a year ago. Cumulative production for the first nine months of 2004 was 89.2 million eggs, 2 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.32 billion during September 2004, up 3 percent from last year. Production included 6.26 billion table eggs, and 1.06 billion hatching eggs, of which 996 million were broiler-type and 60.0 million were egg-type. The total number of layers during September 2004 averaged 343 million, up 3 percent from a year earlier. September egg production per 100 layers was 2,133 eggs, up slightly from September 2003. September 2004 and September 2003 both contained 22 weekdays, 4 Saturdays and 1 holiday.

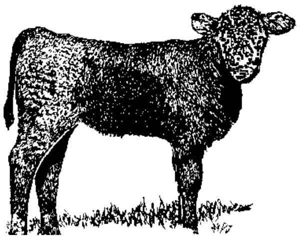
All layers in the U.S. on October 1, 2004, totaled 344 million, up 3 percent from a year ago. The 344 million layers consisted of 285 million layers producing table or market type eggs, 55.8 million layers producing broiler-type hatching eggs, and 2.61 million layers producing egg-type hatching eggs. Rate of lay per day on October 1, 2004, averaged 71.3 eggs per 100 layers, up slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.84 billion eggs during September 2004, up 3 percent from a year ago. The average number of layers during September, at 321 million, was up 3 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Sept. 2003	Aug. 2004	Sept. 2004	Sept. 2003	Sept. 2004	Sept. 2003	Sept. 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	114.0	123.0	125.0	2,042	1,776	2.38	2.20	21.80	21.10
Honolulu	385.0	374.1	375.5	1,902	1,950	7.32	7.30	65.90	68.10
State	499.0	497.0	501.0	1,944	1,896	9.70	9.50	87.70	89.20

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



SEPTEMBER MARKETINGS 16 PERCENT BELOW YEAR AGO

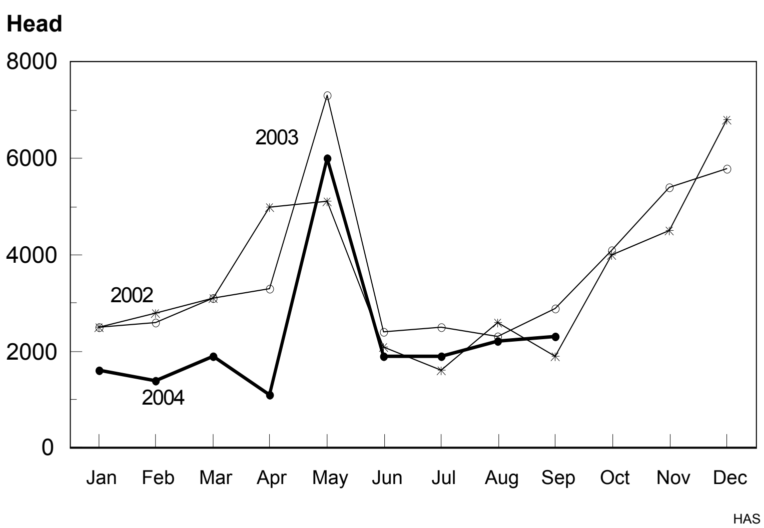
Cattle marketings during September totaled 3,200 head, compared with 3,800 head a year ago and 3,300 head during August 2004. All of the decrease in marketings was the result of fewer out-of-state shipments as local commercial slaughter was unchanged. Exports during September 2004 declined 21 percent from a year ago to 2,300 head. Cumulative marketings for the first nine months of 2004 was 28,300 head, a decrease of 24 percent from the same period a year earlier. Year-to-date exports for 2004 was 20,300 head, a decrease of 30 percent from the same 9-month period in 2003.

Cattle Marketings, State of Hawaii, September 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	
September	3,800	3,200	1,500	1,300	1,400	1,000	2,900	2,300	416	428
Year-to-date [4]	37,200	28,300	16,000	12,100	12,900	8,200	28,900	20,300	432	429

[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		
7-10-04	86.00	84.75
7-24-04	81.50	81.75

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

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COMMERCIAL BEEF PRODUCTION 5 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during September 2004 totaled 501,000 pounds, compared with 525,000 pounds a year earlier. Commercial kill for September 2004 totaled 900 head, unchanged from a year ago. Average live weight per head, at 1,074 pounds, was 4 percent heavier than a year ago. Year-to-date beef production was fractionally below the same 9-month period during 2003.

U.S. BEEF PRODUCTION

Beef production, at 2.10 billion pounds, was 9 percent below the previous year. Cattle slaughter totaled 2.74 million head, down 13 percent from September 2003. The average live weight was up 38 pounds from the previous year, at 1,266 pounds.

PORK PRODUCTION 5 PERCENT LIGHTER THAN A YEAR AGO

Commercial pork production during September 2004 totaled 331,000 pounds, compared with 347,000 pounds a year ago. Total hog kill of 2,200 head was unchanged from a year ago. Average live weight per head, at 203 pounds, was 1 percent less than a year ago. Cumulative pork production for the first nine months of 2004 was 8 percent below the same period in 2003.

U.S. PORK PRODUCTION

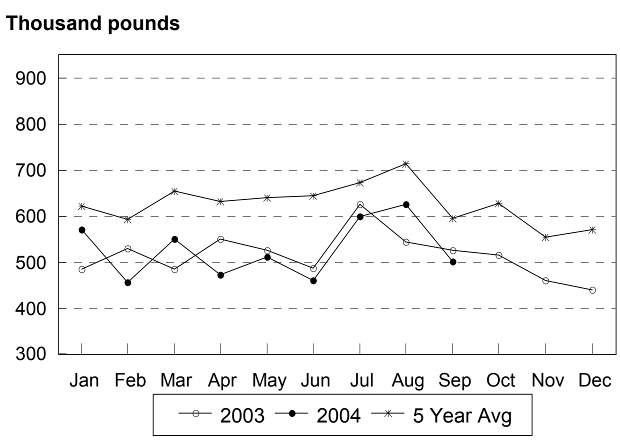
Pork production totaled 1.77 billion pounds, up 6 percent from the previous year. Hog kill totaled 9.00 million head, 5 percent above September 2003. The average live weight was 2 pounds above the previous year, at 265 pounds.

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

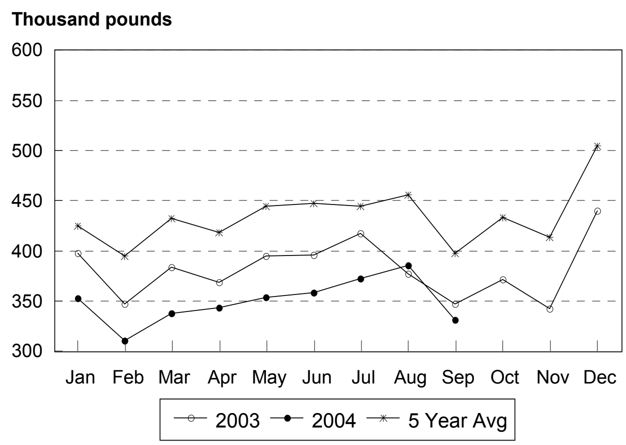
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			- - - - - - pounds - - - - - -		- - - - - - - - - - - - 1,000 pounds - - - - - - - - - - - -			
Cattle								
September	900	900	1,034	1,074	956	913	525	501
Year-to-date	8,300	8,000			8,667	8,645	4,758	4,746
Hogs [3]								
September	2,200	2,200	205	203	462	441	347	331
Year-to-date	21,800	20,800			4,572	4,197	3,429	3,148

[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, OCTOBER 1, 2004

Hawaii County

Hilo and Puna: Mostly hot and humid weather prevailed in Hilo and Puna during September. Lower pastures in South Hilo and Puna were dry and new grass growth was slow during the first half of the month. Increased rainfall at the end of the month improved low soil moisture levels and will boost grass growth in October. Hilo's rainfall for the month was 5.7 inches, 38 percent below normal. Upper pastures in Mt. View, Glenwood and Volcano were in fair condition due to lower than normal rainfall. Pastures at the upper slopes of Mauna Kea were dry with only dry feed available for grazing. Stock water supplies were low, however, good showers at the end of the month raised low water levels. Cattle were rated as being in good condition.

Ka'u: Mostly hot and dry conditions kept Ka'u pastures in fair to poor condition. Light passing showers provided some moisture during the first four and last three days of the month. Coastal pastures from Pahala to Naalehu and pastures in the South Point were very dry with poor new growth prospects. Upper pastures from Pahala to Kahuku were in fair condition with light grass regrowth. Kapapala and the Keauhou pastures were making slow progress due to the drier conditions. Stock water supplies were low and water hauling was required in some of the drier areas. Cattle were rated as being in fair to good condition.

Kona: Most Kona pastures continued to receive afternoon showers, some heavy, during the month of September. South and Central Kona pastures had ample soil moisture and good grass growth. Near or above normal rainfall for three consecutive months kept pastures in good condition with good new grass prospects. Cloudy afternoons slowed grass growth slightly. Lower elevation pastures had adequate soil moisture and pastures had fair to good grass growth. Except for Puu Waawaa and Hualalai pastures that received heavy showers, coastal and upper elevation pastures in north Kona were dry and making slower progress. Stock water supplies were adequate. Cattle were reported to be in good condition.

Kohala: Rainfall totals for the month were only 30 percent of normal in most Kohala districts. Because of the dry conditions, ranchers reported that feed supplies were 50 percent of normal along the upper, windward facing slopes of the Kohala mountain. Leeward slopes had dry feed supplies that were about normal for this time of year. Lower Kohala pastures in Hawi and Mahukona pastures were very dry. Windward pastures in Puukapu and Mana received light showers and were in fair condition. Isolated areas were still green but the dry conditions slowed grass growth. Stock water supplies were adequate but added rainfall is needed to replenish depleted supplies. Cattle were reported to be in fair to good condition.

Hamakua: The Hamakua districts continued to experience dry conditions throughout the month of September. Honokaa recorded rainfall totals at only 17 percent of normal. Coastal and low elevation pastures had mainly old feed and grasses were making slower growth as a result of the low soil moisture levels. Hot and dry weather kept mid and high elevation pastures in fair condition. Added rainfall is needed to improve new grass growth. Stock water supplies were low. Minimum water hauling was required. Cattle were reported to be in fair to good condition.

Honolulu County

Most rain gages on the island of Oahu recorded near to above normal rain totals during September. Pockets of below normal totals appeared mainly along the windward Koolaus at the Kaneohe MCB and in the Maunawili area. As a result of the adequate rainfall, most pastures were rated to be in good condition. Cattle and calf condition was also rated good.

Kauai County

Ample rainfall with warm temperatures and periodic sunny periods resulted in good pasture conditions. Rain gages on the island of Kauai recorded near to above normal rainfall for the month of September. Soil moisture supplies and grass growth were rated fair to good. Stock water supplies and cattle were rated in good condition.

Maui County

Weather conditions in Maui County were mostly dry with some isolated areas of increased rainfall in windward areas of the three islands. Leeward areas continued to be dry and pasture condition in the leeward areas rated poor to fair. Hana, Kaupo, and Kahikinui benefitted from the occasional trade showers. This rainfall has allowed the pastures to be rated in fair to good condition. Other windward areas such as Haiku and Kahakuloa received slightly less rain and the pasture conditions were rated in fair condition. Cattle were rated to be in good condition.

Rainfall Data Source: ***National Weather Service Forecast Office. NWS-NOAA.***
Disclaimer: ***Data from Hydronet state-wide network of automated rain gages. Gages are not certified and rainfall information is provided for informational purposes only.***

U.S. AGRICULTURAL OUTLOOK

Cattle/Beef

NOTE: Due to uncertainties as to the length of bans regarding the imports of ruminant products due to the discovery of BSE-infected cow in December 2003, forecasts for 2004 and 2005 assume a continuation of policies currently in place. Subsequent forecasts will reflect any announced changes.

Beef production in 2005 is expected to be about 24.5 billion pounds, marginally above 2004. Favorable forage conditions, especially winter small grains, are expected to result in more cattle placed on winter pasture and then moved to feedlots after the grazing season ends. A slower marketing pace and expectations of heavier slaughter weights are a factor in the larger production. Record-high feeder cattle prices are expected to pull more heifers into the feedlots rather than being retained for the breeding herd.

Cattle Inventory Expansion Doubtful in 2004

A number of factors have come together over the past year to increase the uncertainty of herd expansion. Without question the industry has sharply reduced cow slaughter in both the beef and dairy sectors due to strong feeder calf and milk prices, respectively. In addition, a record corn crop is about to be harvested while forage conditions have improved in most areas and hay production is near-record large. At the same time, with record feeder cattle prices, the opportunity cost of retaining a heifer from this year's calf crop is extremely high. A heifer retained from this year's calf crop would not be bred until 2005, calve in 2006, and that calf not sold until the fall of 2006. Recent drought and poor grazing conditions are fresh in most producers' minds and the potential opening of the border to Canadian cattle, as well as additional beef, increases price uncertainty. Further caution is coming from concerns about consumer spending uncertainties and as discretionary income is reduced by higher energy costs.

Record Prices/Uncertainties Likely Offsetting Herd Expansion

The scenario of tight fed beef supplies and reduced domestic cow beef production will continue until the cattle cycle turns and beef production begins to increase. This event is not likely to occur until at least 2007 and even then only if large numbers of heifers are retained from this year's calf crop for breeding in 2005. Beef production, in the short run, is limited by the biology of cattle. However, many other uncertainties are also in producers' decision framework, including potential changes resulting in the eventual opening up of the beef export market (particularly to Japan and South Korea) but also possibly increased imports of both beef and cattle. Concerns about larger imports pertain to further opening of the Canadian market to beef from cattle over 30 months of age and live animals. Both situations are being discussed as to handling of beef and cattle in the international market from countries such as the United States and Canada with only minimal outbreaks of BSE.

Record stocker/feeder cattle prices, low grain prices, and very favorable forage conditions provide a solid positive base for cow-calf producers to begin herd expansion. However, most producers remember all too well the poor forage conditions that prevailed in many areas from 1998 through 2003 and the uncertainties in the international market. At this time, cow slaughter remains down sharply, but until large numbers of heifers are retained, the cow herd will continue to decline, if only modestly. Returns to cow/calf producers are at near-record levels, but producers are all too well aware of the opportunity cost of not selling a heifer at today's record price. Drought, impacting either grain prices or herd stocking levels, could easily become an issue again; forcing large numbers of cattle on the market at lower prices before additional calves can be marketed in late 2006. BSE and international market uncertainties further cloud the herd expansion planning.

Through September, beef and dairy cow slaughter were down nearly 15 and 17 percent, respectively from a year earlier. Steer slaughter was down nearly 8 percent and heifer slaughter was down over 9 percent. Both reductions are largely a function of a cattle inventory that has declined from 103.5 million head in 1996 to 94.9 million at the beginning of this year. More heifers may have likely been bred in 2004 and will calve for the first time in 2005. However, the number of heifers calving and entering the herd in the first half of 2004 and the mi-year Cattle report do not suggest enough heifers will calve in 2005 to offset the number of cows slaughtered in 2004, much less begin to turn the cattle cycle.

Dairy

Hormone Restrictions To Continue Into 2005

Monsanto has indicated that limited supplies of bovine somatotropin (BST) will continue "well into 2005, with incremental increases occurring over time," and some allocations will remain in place. For most of 2004, established users of BST were limited to only half their normal purchases, and no new customers were accepted. On December 1, 2004, allocations will increase to at least 70 percent of historical purchases.

The delay of full BST availability will dampen recovery in milk per cow during the first half of 2005. However, the prospects for substantial recovery in gains in milk per cow remain generally favorable. Some additional BST will be available, relative milk and concentrate feed prices will encourage heavier feeding, forage supplies will be ample even if quality is somewhat mixed, more normal culling may resume if heifer supplies recover, and milk per cow has already shown recovery from the very weak levels of the first half of 2004. Good weather for cows undoubtedly boosted summer milk per cow, but some of the economic factors probably also made significant contributions.

Poultry

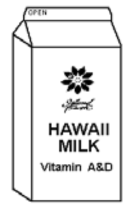
Forecasts for Broiler Production and Exports Increased

The broiler production forecast for third-quarter 2004 was increased by 25 million pounds to 8.825 billion pounds, and the production estimate for fourth-quarter 2004 was also increased by 25 million pounds to 8.600 billion pounds. Over the last several weeks, the pace of broiler-type eggs being set in incubators and chicks being placed for growout has increased in comparison with 2003. Over the last five weeks (September 4 to October 2), the number of eggs placed in incubators has averaged 3.3 percent higher than last year. Over this same period, the number of chicks being placed for growout has been 4.2 percent higher than in the same period in 2003. Coupled with an increase in the hatchery supply flock, this points to future growth in broiler production, thus the forecast for production in the first quarter of 2005 was increased by 100 million pounds to 8.5 billion pounds.

Broiler slaughter in August was almost 3 billion pounds, up 9 percent from last year. The increase was attributable to both an increase in the number of broilers slaughtered (up 6 percent) and a 2-percent increase in average liveweight. The increase was also boosted by one additional slaughter day in August 2004 compared with the previous year.

Full text of stories covered above can be found at:
Source: Livestock, Dairy, and Poultry Outlook, October 18, 2004, Economic Research Service, United States Department of Agriculture.
Internet web site: http://www.ers.usda.gov/publications/ldp

SEPTEMBER, THIRD QUARTER PRODUCTION DOWN

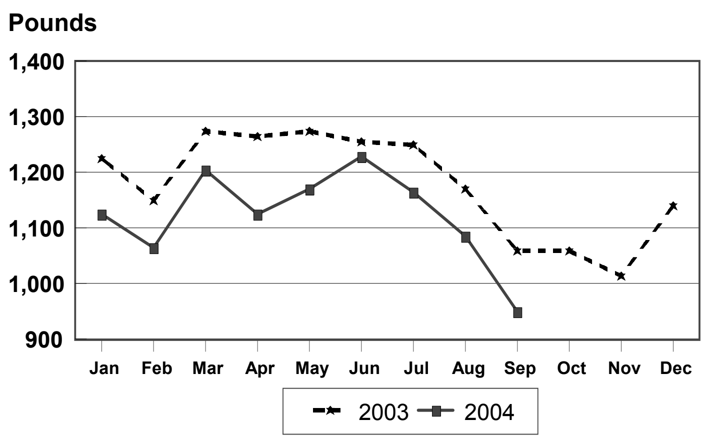


Dairy cows produced 5.6 million pounds of milk in September, compared with 7.0 million pounds for September a year ago and 6.4 million pounds for August of this year. September's cow inventory, both dry and in milk, numbered 5,900 head, down 700 from the same time last year but unchanged from the previous month. The average output per cow in September was 950 pounds, 110 pounds below the same month last year and 135 pounds lower than the previous month. Production for the three quarters of this year was totaled 63.1 million pounds, 11 percent below the same period in 2003.

U.S. MILK PRODUCTION

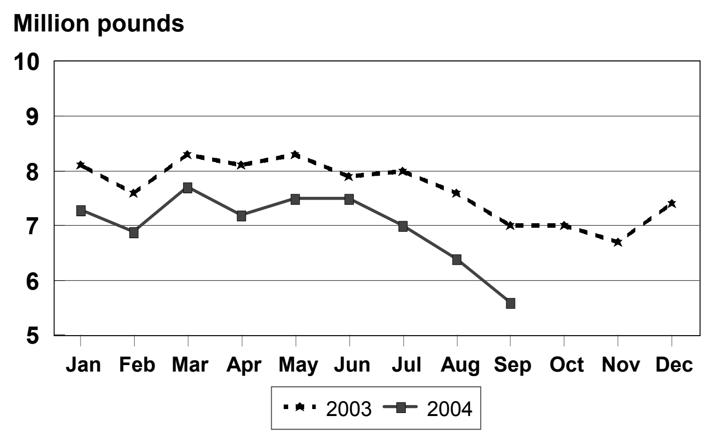
Milk production in the 20 major States during September totaled 11.9 billion pounds, up 1.3 percent from September 2003. August revised production, at 12.4 billion pounds, was up 1.4 percent from August 2003. The August revision represented a decrease of 11 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,529 pounds for September, 18 pounds above September 2003. The number of milk cows on farms in the 20 major States was 7.77 million head, 6,000 head less than September 2003, but 4,000 head more than August 2004.

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



HAS

Total Milk Production, State of Hawaii, 2003-2004



HAS

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

County	All milk cows [123]			Milk per cow [3]		Milk production [13]			
	Sept. 2003	Aug. 2004	Sept. 2004	Sept. 2003	Sept. 2004	Sept. 2003	Sept. 2004	Year-to-date 2003	Year-to-date 2004
	------ Number ------			--- Pounds ---		---------- 1,000 pounds ----------			
Hawaii	3,300	[4]	[4]	825	[4]	2,725	[4]	26,860	[4]
Honolulu	3,300	[4]	[4]	1,300	[4]	4,285	[4]	44,045	[4]
State	6,600	5,900	5,900	1,060	950	7,000	5,600	70,900	63,100

[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.
[4] Hawaii and Honolulu are combined due to disclosure beginning August 2004.

Average farm prices, State of Hawaii, September 2004

Commodity		September 2003	August 2004	September 2004
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	81.0	86.0	85.0
	- (live weight equivalent)	(44.5)	(47.2)	(46.7)
Cows [1]	*- dressed weight*	50.0	51.5	51.0
	- (live weight equivalent)	(27.5)	(28.3)	(28.0)
Market hogs [1 2]	*- dressed weight*	118.0	116.5	117.0
	- (live weight equivalent)	(88.5)	(87.4)	(87.8)
		dollars per 100 pounds		
Milk [3]		25.30	25.00	24.90
		cents per dozen		
Eggs [4]		94.5	111.0	111.0

[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.