HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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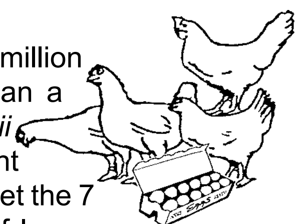
OCTOBER EGG PRODUCTION 1 PERCENT ABOVE A YEAR AGO



Egg production during October, totaled **9.9** million eggs (27,500 cases), 1 percent more than a year earlier, according to the *Hawaii Agricultural Statistics Service*. An 8 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 October 2003 was 500,000, compared with 537,000 a year ago, and 499,000 during September. The average rate of lay was 1,980 eggs per 100 layers (63.9 percent lay rate) compared with 1,825 (58.9 percent) a year ago. Cumulative egg production for the first ten months of 2003 was fractionally above the same 10-month period in 2002.

U.S. EGG PRODUCTION

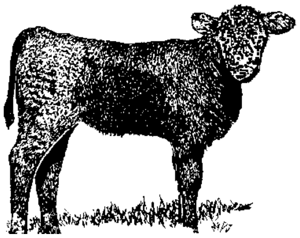
U.S. egg production totaled 7.39 billion during October 2003, down slightly from last year. Production included 6.34 billion table eggs and 1.06 billion hatching eggs, of which 1.00 billion were broiler-type and 57.0 million were egg-type. The total number of layers during October 2003 averaged 333 million, down 1 percent from a year earlier. October egg production per 100 layers was 2,218 eggs, up one percent from October 2002. October 2003 and October 2002 both contained 23 weekdays, one holiday and four Saturdays.

All layers in the U.S. on November 1, 2003, totaled 335 million, down 1 percent from a year ago. The 335 million layers consisted of 277 million layers producing table or commercial type eggs, 54.7 million layers producing broiler-type hatching eggs, and 2.48 million layers producing egg-type hatching eggs. Rate of lay per day on November 1, 2003, averaged 71.9 eggs per 100 layers, up 1 percent from a year ago. Laying flocks in the 30 major egg producing States produced 6.90 billion eggs during October 2003, down 1 percent from a year ago. The average number of layers during October, at 311 million, was down 2 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Oct. 2002	Sept. 2003	Oct. 2003	Oct. 2002	Oct. 2003	Oct. 2002	Oct. 2003	Year-to-date 2002	Year-to-date 2003
	------ Thousands ------			--- Number ---		----------- Millions -----------			
Hawaii/Kauai/Maui	127	114	110	1,981	2,207	2.5	2.4	23.8	23.9
Honolulu	409	385	390	1,786	1,919	7.3	7.5	73.7	73.5
State	537	499	500	1,825	1,980	9.8	9.9	97.5	97.6

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



OCTOBER MARKETINGS OFF 32 PERCENT FROM YEAR AGO

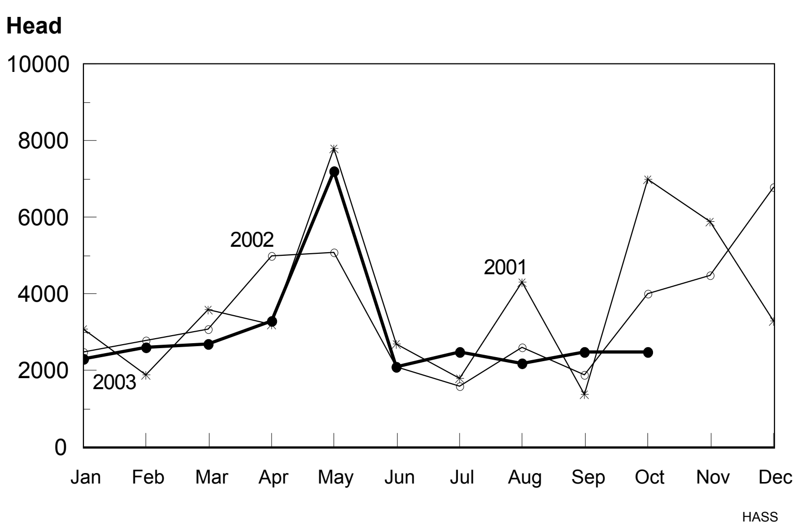
Cattle marketings during October totaled 3,400 head, compared with 5,000 head a year ago and 3,400 head during September 2003. Declines in both out-of-state shipments and local slaughter accounted for the 32 percent decrease in marketings when compared with a year earlier. Year-to-date marketings of 39,100 head was 4 percent below the same 10-month period in 2002. The number of cattle and calves shipped out-of-State during October totaled 2,500 head compared with 4,000 a year earlier and 2,500 during September. Cumulative out-of-state shipments during 2003 totaled 29,900 head, 3 percent less than the same period in 2002.

Cattle Marketings, State of Hawaii, October 2003

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	head								pounds	
October	5,000	3,400	2,300	1,700	1,700	800	4,000	2,500	420	468
Year-to-date [4]	40,500	39,100	18,100	17,000	12,600	12,900	30,700	29,900	438	436

[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	
9-06-03	84.75	84.50
9-20-03	91.00	91.00

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

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COMMERCIAL BEEF PRODUCTION 13 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during October 2003 totaled 516,000 pounds, compared with 591,000 pounds a year earlier. Commercial kill for October 2003 totaled 900 head, 100 fewer than a year ago. Average live weight per head, at 1,030 pounds, was 4 percent lighter than a year ago. Cumulative production for the first ten months of 2003 was 5.3 million pounds, 6 percent less than the same period in 2002.

U.S. BEEF PRODUCTION

Beef production, at 2.21 billion pounds, was 12 percent below the previous year. Cattle slaughter totaled 3.00 million head, down 8 percent from October 2002. The average live weight was down 39 pounds from the previous year, at 1,231 pounds.

PORK PRODUCTION DOWN 13 PERCENT FROM A YEAR AGO

Commercial pork production during October 2003 totaled 372,000 pounds, compared with 428,000 pounds a year ago. Total hog kill of 2,400 head was 200 less than a year ago. Average live weight per head, at 205 pounds, was 5 percent lighter than a year ago. Year-to-date production for the first 10 months of 2003 was 3.8 million pounds, 10 percent less than the same period in 2002.

U.S. PORK PRODUCTION

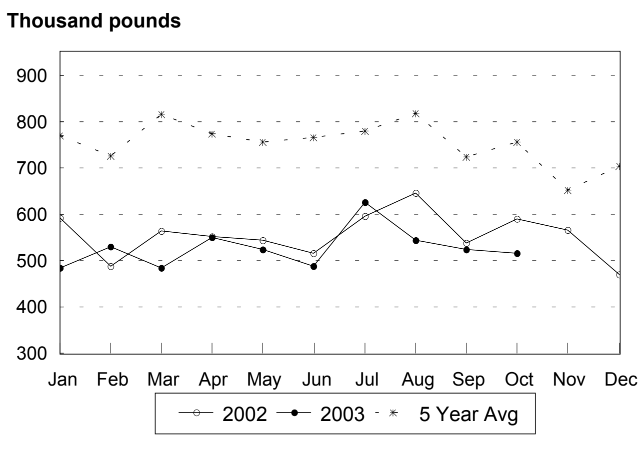
Pork production totaled 1.91 billion pounds, a record monthly high and up 4 percent from the previous year. Hog kill totaled 9.64 million head, 3 percent above October 2002. The average live weight was 3 pounds above the previous year, at 267 pounds.

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

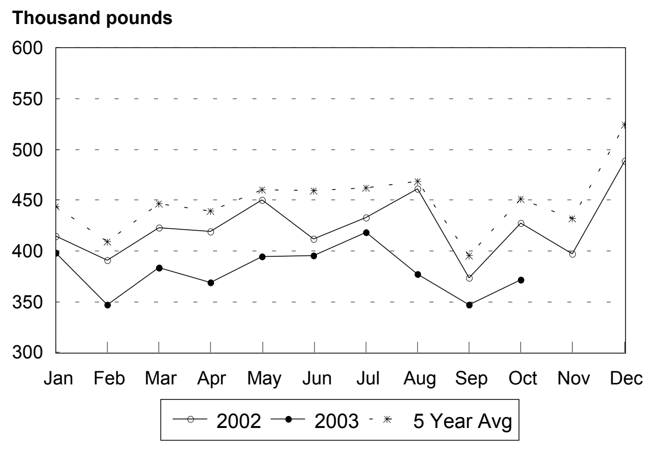
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2002	2003	2002	2003	2002	2003	2002	2003
			pounds		1,000 pounds			
Cattle								
October	1,000	900	1,077	1,030	1,077	940	591	516
Year-to-date	9,800	9,200			10,254	9,607	5,629	5,274
Hogs [3]								
October	2,600	2,400	216	205	570	496	428	372
Year-to-date	26,400	24,200			5,607	5,068	4,205	3,801

[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, NOVEMBER 1, 2003

Hawaii County

Hilo and Puna: Although this area received almost daily trade wind showers, rainfall totals were less than 50 percent of normal for the month of October. This diminished rainfall amount in conjunction with the sunny, hot, and dry weather resulted in many pastures to be in only fair conditions. Consequently, some pastures were beginning to dry, especially pastures at the upper elevation of Mauna Kea. Stock water supply levels were getting low. Most of the cattle and calves were in fair to good condition.

Ka'u: Some beneficial rainfall during the first half of the month, helped to maintain some pastures in fair condition. However, very dry condition around South Point, kept pastures dry. Stock water supplies were adequate. Most of the cattle and calves were in fair to good condition.

Kona: Pasture conditions in Kona were mixed. South Kona pastures received some light showers to help maintain a minimal feed supply for the livestock. The Central Kona area received slightly better rainfall amounts to help maintain pastures in fair to good condition. North Kona pastures continued dry and were low on feed. Stock water levels were low. Cattle and calves were in fair to good condition with some supplements being fed.

Kohala: Dry weather continued into the month of October, especially during the second half of the month. Rainfall totals were as low as .03 inches at the Kahua Ranch rain gage to as much as 1.19 inches at the Upolu Airport rain gage. The lack of rainfall turned many pastures dry and slowed grass growth elsewhere. Most leeward pastures continued very dry and were in poor condition. An increase in web worm activity has been reported. Stock water supplies were adequate. Cattle and calves were in fair to good condition, with some supplement being fed. A few ranchers reported an increase in death losses to older cows.

Hamakua: Light showers at the lower elevations provided for fair pasture conditions, but drier weather during the second half of the month left most pastures drying up. Mid- to upper elevation pastures experienced very dry conditions. The hot, dry weather kept most pastures in poor condition which hindered any grass growth. Water hauling was necessary. Cattle and calves were in fair to good condition.

Honolulu County

Rainfall totals during the month of October were generally between 20 to 70 percent of normal. Most windward pastures continued in slightly better condition then leeward pastures. Many pastures were dry and in fair to poor condition. Cattle and calves were in fair condition, with the feeding of supplements.

Kauai County

This island was the only island in the State to benefit from rainfall activities which provided near normal to above normal rainfall totals for the month. Most pastures on the island had improved grass growth and were in fair to good condition. However, pastures in some areas were not fairing as well and were in poor condition. The extended dry period afforded weeds a foothold in some areas. Cattle and calves were in fair to good condition.

Maui County

The east side of the island of Maui was the only sector to have received near normal rainfall amounts for October. Elsewhere, generally drier conditions prevailed, with most pastures in the county dry and in poor to fair condition. In general, windward pastures were in better condition than pastures located on the leeward side. Cooler temperatures slowed grass growth at the upper elevations. 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 Prices

Soybean Meal Prices Increase

Feed grains supplies continue favorable for livestock producers. The farm price of corn remains unchanged from last month and is expected to average $1.90 to $2.30 a bushel in 2003/04, down from $2.32 a bushel in 2002/03. However, supplies of soybeans and soybean meal are expected to become increasingly tight as this year's production forecast was reduced modestly from the already lower October estimate. The projected price range for 48 percent soybean meal was increased to $210 to $240 a ton, up from $185 to $215 a ton in October, both up sharply from $181.57 a ton in 2002/03.

The farm price of other hay rose slightly from September into October, but moved below a year earlier. The wheat crop planting and emergence reflect near year-earlier conditions, when grazing was very favorable. Unfortunately, dry conditions and cool weather have not been conducive to wheat pasture development for grazing in the High Plains areas of Kansas, Oklahoma, and Texas. Kansas, where drought has been the most persistent, appears to have the poorest conditions.

Cattle/Beef

Record Beef/Cattle Prices Allocate Tight Quality Beef Supplies

Domestic and export demand for beef, particularly higher quality beef, has remained strong since 2000. Beef prices have been on a record setting path since mid-winter due to reduced cattle supplies that were further curtailed by poor winter feeding conditions. The confirmation of BSE (Bovine Spongiform Encephalopathy) in a Canadian cow on May 20 resulted in a ban on imports of beef and live cattle from Canada and a further tightening of U.S. fed beef supplies. Consequently, supplies of higher quality Choice beef have become very tight resulting in record cattle, boxed beef (wholesale), and retail prices as the limited supply is rationed in the market.

Cattle Inventory Decline Continues

The expansion phase of the present cattle cycle began in 1991 at 96.4 million head. The cyclical peak occurred in 1996 at 103.5 million head when a national drought reduced forage supplies, and more importantly, a sharp decline in grain production and record corn prices in 1995/96 forced feeder cattle prices lower. Expansion in the cattle/beef sector is based on large supplies of forage from pasture and range and favorable grain prices in addition to favorable cattle prices. Forage conditions since 1998 have not favored herd expansion, although feed grain prices have remained moderate.

Cow and heifer inventories continue to decline in spite of record cattle prices. The cattle inventory at the beginning of 2003 had declined to 96.1 million head. Cow and heifer slaughter has remained large through October 2003 due to continued poor forage conditions in many areas and the high opportunity cost of retaining heifers. Cow and heifer slaughter will have to decline fairly sharply before the industry can begin to stabilize inventories, much less shift toward herd expansion. The earliest a shift toward expansion can begin is with the 2004 breeding season if forage supplies improve, cow slaughter declines, and larger numbers of heifers are bred. Even if this set of events occurs, beef production will not begin to expand until at least 2006 and even then from a smaller base of production, which has eroded since 1996. Additional female slaughter has supported beef supplies in recent years, but at the cost of future production.

Poor Feeding Conditions Reduced Feedlot Performance in 2001

Wet, cold weather in late 2000 and early 2001 resulted in poor feedlot conditions and the previous run at record cattle prices. Steer and heifer slaughter weights declined, reducing beef supplies and the proportion of higher quality cattle. Consequently, cattle and beef prices moved up, with retail prices for Choice beef setting a record $3.48 a pound in June 2001. Weather improvement in late spring resulted in better feedlot performance and federally inspected steer dressed weights began a more-than-monthly seasonal rise from 765 to 767 pounds in April/May to 840 pounds in September 2001. As feedlot performance improved, weights and supplies of higher quality beef increased, and cattle/beef prices began to decline, a trend that continued through 2002.

2002/2003 Poor Performance Recovery Delayed by Canadian BSE Discovery

In late 2002-early 2003, poor weather conditions, similar to 2000/01, resulted in reduced feedlot gains and tight supplies of higher quality beef. Retail prices eclipsed the old record in February, but prices began to decline in May as weather conditions and feedlot gain improved. However, on May 20 BSE was confirmed in a single cow in Canada, resulting in an immediate ban on imports of Canadian beef and cattle into the United States. This immediately reduced beef supplies and the potential for future production from imported fed cattle for immediate slaughter and imported feeder cattle to be placed in U.S. feedlots for slaughter in 4 to 6 months. To maintain beef production near year-earlier levels, given the already lower dressed slaughter weights, steer and heifer slaughter increased nearly 3 percent. Steer slaughter weights improved with the weather conditions in late spring through summer, but unlike 2001, dressed weights only rose from 781 pounds in April/May to 807 pounds in September. Retail prices for Choice beef rose to the low-$3.70's a pound in August/September. The supply situation is becoming even tighter in the fall quarter.

Although Choice boxed beef (wholesale) prices increased 12 percent from August to September, much of the price increase was not passed on to consumers. The wholesale to retail price spread in September actually declined 28 cents a pound at retail, as much of the price increase was absorbed by the retailer. Boxed beef prices rose another 13 percent in October (up 58 percent from a year earlier) and more of this increase will be passed on to consumers either through higher beef prices and/or broader price increases on other retail items to spread out the impact of the wholesale price increase. A similar approach seems to be occurring in the hotel/restaurant sector. Given the tight fed cattle supply situation, retail beef prices are likely to continue on a record-setting path as the higher prices are passed on to consumers; the question is to what degree.

Beef Supplies To Remain Tight

On August 8, the U.S. Department of Agriculture (USDA) initiated a permit system allowing imports of certain boneless beef products from Canadian slaughter plants limited slaughtering cattle under 30 months of age. Imports remain well below year-earlier levels, but have been increasing as more permits are issued. USDA issued a proposed rule on October 31 to establish a new category of regions that present a minimal risk of introducing BSE into the United States via the importation of certain low-risk live ruminants and ruminant products. The proposed rule has a 60-day comment period, after which the United States Department of Agriculture will evaluate all comments before issuing a final rule.

Supplies will continue to tighten until U.S. herds expand to increase beef supplies. Additional beef and/or slaughter/feeder cattle imports from Canada are not likely to fully offset the deficit. Any movement toward retaining heifers being weaned this fall for possible breeding next spring and summer would tighten supplies even further. Although feedlot placements rose sharply this summer, feeder cattle supplies are already down. Feeder cattle supplies outside feedlots on October 1 were 2.5 percent below a year earlier. This year's calf crop is expected to be 38 million head, the smallest since 1951. Until cow slaughter begins to decline and more heifers are retained, the calf crop will continue to decline. The loss of feeder cattle imports from Canada further tightens the supply situation.

Regardless of the outcome of the proposed rule, beef supplies will remain very tight over the next couple of years. Increased domestic supplies are simply not biologically possible until 2006, unless something happens to force increased herd liquidation. Improved moisture conditions have helped to reduce the drought areas this fall. Weather conditions through spring and improved grazing conditions in 2004 will be key factors in providing the base for the beginning stages of herd expansion.

Source: ***Livestock, Dairy, and Poultry Outlook, November 25, 2003, Economic Research Service, United States Department of Agriculture.***

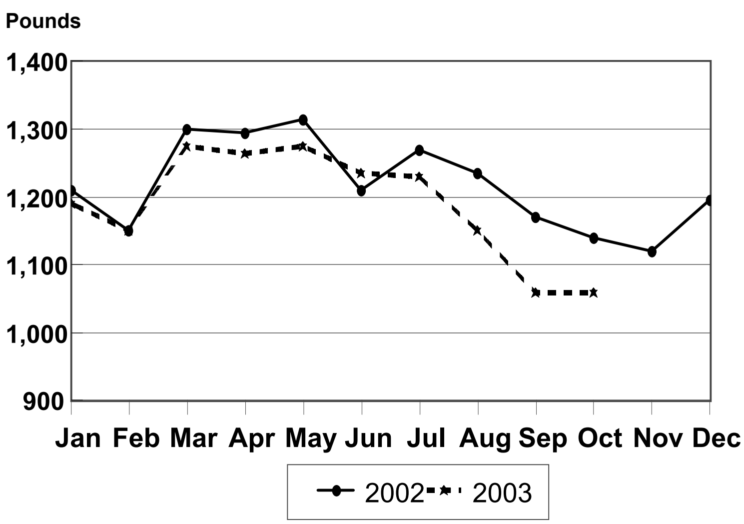
OCTOBER MILK OUTPUT DOWN 5 PERCENT FROM LAST YEAR

In October, Hawaii's dairy cows produced 7.0 million pounds of milk, compared to 7.4 million pounds in October 2002 and remaining the same as September 2003. The cow inventory, both dry and in milk, numbered 6,600 head, 100 above October last year but unchanged from September this year. The average output per cow is 1,060 pounds in October, remaining the same as September this year but 80 pounds less than October this year. Milk production for the first ten months of 2003 totaled 77.9 million pounds, a 4 percent decline from the comparable period in 2002.

U.S. MILK PRODUCTION

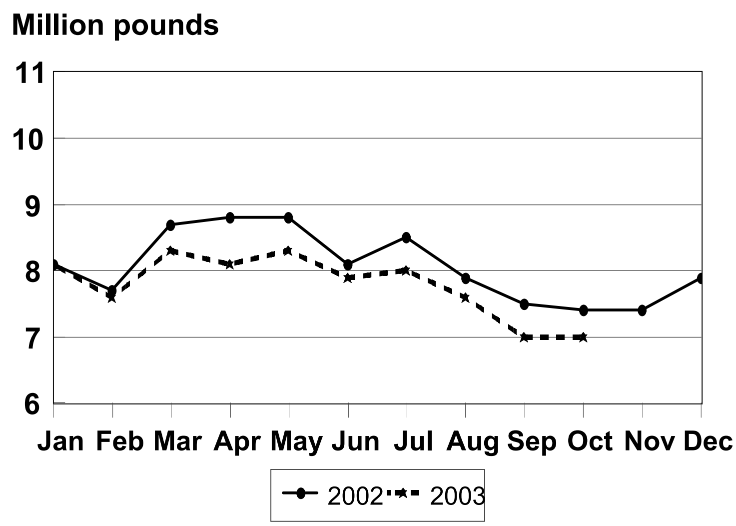
Milk production in the 20 major States during October totaled 12.0 billion pounds, down 0.2 percent from October 2002. September revised production, at 11.6 billion pounds, was down 5 million pounds from September 2002. The September revision represented an increase of 2 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,550 pounds for October, 11 pounds above October 2002. The number of milk cows on farms in the 20 major States was 7.72 million head, 70,000 head less than October 2002, and 25,000 head less than September 2003.

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



HASS

Total Milk Production, State of Hawaii, 2002-2003



HASS

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Oct. 2002	Sept. 2003	Oct. 2003	Oct. 2002	Oct. 2003	Oct. 2002	Oct. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,100	3,300	3,300	940	835	2,910	2,755	29,415	29,595
Honolulu	3,400	3,300	3,300	1,320	1,275	4,495	4,210	52,055	48,300
State	6,500	6,600	6,600	1,140	1,060	7,400	7,000	81,500	77,900

[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, October 2003

Commodity		October 2002	September 2003	October 2003
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	70.0	77.5	77.5
	- (live weight equivalent)	(38.4)	(42.5)	(42.5)
Cows [1]	*- dressed weight*	50.0	56.5	56.5
	- (live weight equivalent)	(27.5)	(31.0)	(31.0)
Market hogs [1 2]	*- dressed weight*	116.0	115.0	115.0
	- (live weight equivalent)	(87.0)	(86.3)	(86.3)
		dollars per 100 pounds		
Milk [3]		23.50	25.30	25.30
		cents per dozen		
Eggs [4]		84.5	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.

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