HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

# HAWAII MONTHLY LIVESTOCK REVIEW

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

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

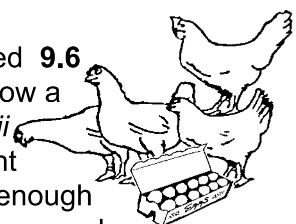
*FACT FINDERS FOR AGRICULTURE*

FREQUENCY: Monthly RELEASED: January 6, 2004

IN THIS ISSUE



## NOVEMBER EGG PRODUCTION 2 PERCENT BELOW A YEAR AGO



Egg production during November, totaled **9.6** million eggs (26,667 cases), 2 percent below a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 5 percent increase in the average rate of lay was not enough to 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 November 2003 was 499,000, compared with 534,000 a year ago, and 500,000 during October. The average rate of lay was 1,924 eggs per 100 layers (64.1 percent lay rate) compared with 1,835 (61.2 percent) a year ago. Cumulative egg production for the first eleven months of 2003 was factionnally below the same 11-month period in 2002.

## U.S. EGG PRODUCTION

U.S. egg production totaled 7.28 billion during November 2003, up 1 percent from last year. Production included 6.25 billion table eggs and 1.02 billion hatching eggs, of which 968 million were broiler-type and 56.0 million were egg-type. The total number of layers during November 2003 averaged 336 million, down 1 percent from a year earlier. November egg production per 100 layers was 2,165 eggs, up one percent from November 2002.

November 2003 contained 20 weekdays, two holidays and five Saturdays compared to November 2002 which contained 21 weekdays, two holidays, and five Saturdays.

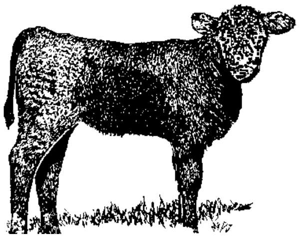
All layers in the U.S. on December 1, 2003, totaled 338 million, up slightly from a year ago. The 338 million layers consisted of 280 million layers producing table or commercial type eggs, 54.9 million layers producing broiler-type hatching eggs, and 2.51 million layers producing egg-type hatching eggs. Rate of lay per day on December 1, 2003, averaged 72.4 eggs per 100 layers, up 2 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.79 billion eggs during November 2003, up slightly from a year ago. The average number of layers during November, at 313 million, was down 1 percent from a year ago.

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

| County | Number of layers on hand during month | | | Eggs per 100 layer | | Total eggs produced | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 2002 | Oct. 2003 | Nov. 2003 | Nov. 2002 | Nov. 2003 | Nov. 2002 | Nov. 2003 | Year-to-date 2002 | Year-to-date 2003 |
| | Thousands | | | Number | | Millions | | | |
| Hawaii/Kauai/Maui | 128 | 110 | 110 | 2,013 | 2,166 | 2.5 | 2.4 | 26.3 | 26.3 |
| Honolulu | 407 | 390 | 389 | 1,788 | 1,860 | 7.3 | 7.2 | 81.0 | 80.7 |
| State | 534 | 500 | 499 | 1,835 | 1,924 | 9.8 | 9.6 | 107.3 | 107.2 |

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



## NOVEMBER MARKETINGS 5 PERCENT ABOVE YEAR AGO

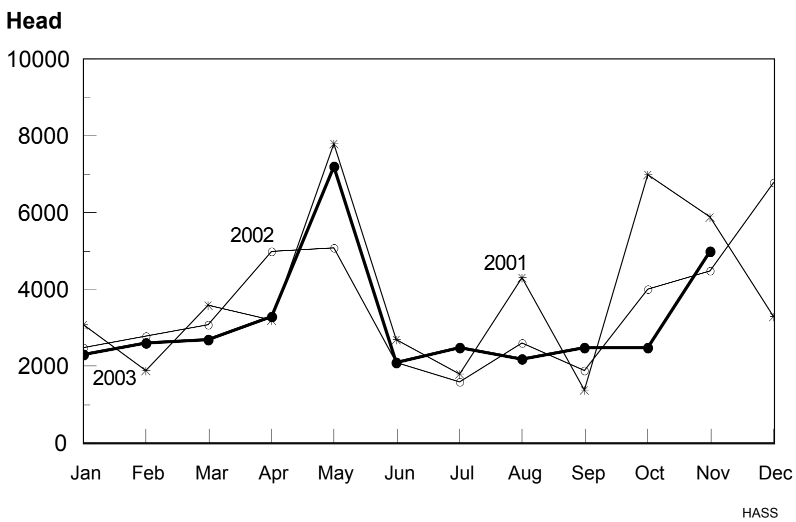
Cattle marketings during November totaled 5,800 head, compared with 5,500 head a year ago and 3,400 head during October 2003. An increase in out-of-state shipments has offset the decrease in local slaughter to account for the 5 percent increase in marketings when compared with a year earlier. Year-to-date marketings totaled 45,000 head, a decrease of 2 percent from the same 11-month period in 2002. The number of cattle and calves shipped out-of-State during November totaled 5,000 head compared with 4,500 a year earlier and 2,500 during October. Cumulative out-of-state shipments during the first eleven months of 2003 totaled 34,900 head, 1 percent less than the same period in 2002.

Cattle Marketings, State of Hawaii, November 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 | |
| November | 5,500 | 5,800 | 2,900 | 2,900 | 1,600 | 2,100 | 4,500 | 5,000 | 431 | 418 |
| Year-to-date [4] | 46,000 | 45,000 | 21,000 | 20,000 | 14,200 | 15,000 | 35,200 | 34,900 | 437 | 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, 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 | |
| 10-04-03 | 93.75 | 94.25 |
| 10-18-03 | 107.50 | 107.50 |

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


**DONALD A. MARTIN**
State Agricultural Statistician
**STEVE GUNN**
Deputy State Agricultural Statistician
**REGINA W. HIDANO**
Agricultural Statistician
**JOYCE JAY**
Statistical Assistant
**NILS K. MORITA**
Research Statistician
**KAREN A. LEE**
Statistical Assistant

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

## COMMERCIAL BEEF PRODUCTION 19 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during November 2003 totaled 461,000 pounds, compared with 567,000 pounds a year earlier. Commercial kill for November 2003 totaled 800 head, 200 fewer than a year ago. Average live weight per head, at 1,054 pounds, was 2 percent heavier than a year ago. Cumulative production for the first eleven months of 2003 was 5.7 million pounds, 7 percent less than the same period in 2002.

### U.S. BEEF PRODUCTION

Beef production, at 1.78 billion pounds, was 18 percent below the previous year. Cattle slaughter totaled 2.43 million head, down 15 percent from November 2002. The average live weight was down 24 pounds from the previous year, at 1,236 pounds.

## PORK PRODUCTION DOWN 14 PERCENT FROM A YEAR AGO

Commercial pork production during November 2003 totaled 343,000 pounds, compared with 397,000 pounds a year ago. Total hog kill of 2,200 head was 400 less than a year ago. Average live weight per head, at 206 pounds, was 1 pound lighter than a year ago. Year-to-date production for the first 11 months of 2003 was 4.1 million pounds, 10 percent less than the same period in 2002.

### U.S. PORK PRODUCTION

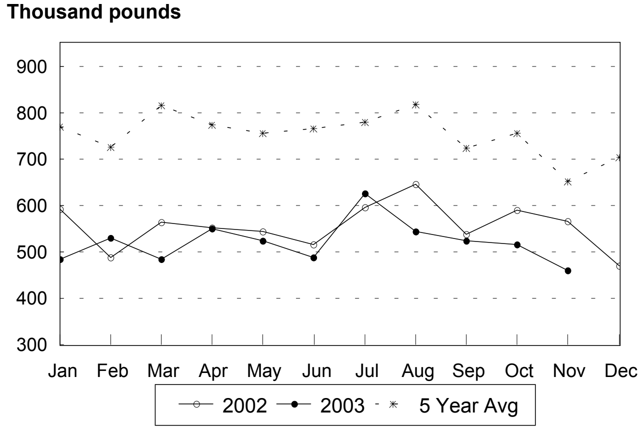
Pork production totaled 1.71 billion pounds, up slightly from the previous year. Hog kill totaled 8.58 million head, 1 percent below November 2002. The average live weight was 1 pound above the previous year, at 269 pounds.

### Commercial slaughter, State of Hawaii, November 2003 [1]

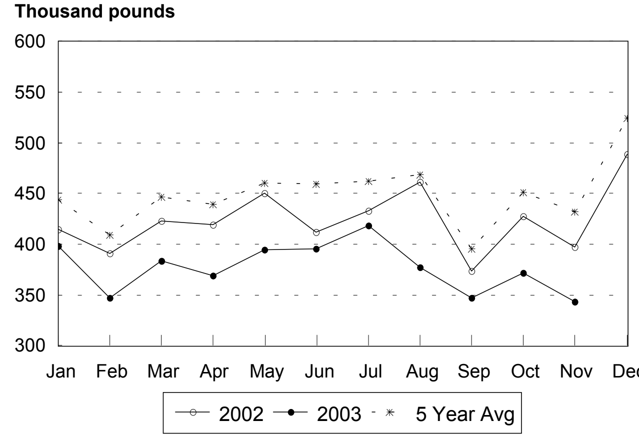
| Species | Number of head | | Average live weight | | Total live weight [2] | | Total dressed weight | |
|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| | | | - - - - - - pounds - - - - - - | | - - - - 1,000 pounds - - - - | | | |
| Cattle | | | | | | | | |
| November | 1,000 | 800 | 1,032 | 1,054 | 1,032 | 840 | 567 | 461 |
| Year-to-date | 10,800 | 10,000 | | | 11,286 | 10,447 | 6,196 | 5,735 |
| Hogs [3] | | | | | | | | |
| November | 2,600 | 2,200 | 207 | 206 | 529 | 457 | 397 | 343 |
| Year-to-date | 29,000 | 26,400 | | | 6,136 | 5,525 | 4,602 | 4,144 |

[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, DECEMBER 1, 2003

## Hawaii County

**Hilo and Puna:** Daily trade wind showers, which at times were heavy, resulted in near to above normal rainfall totals for the district in November. This increase in precipitation along with overcast skies and cool temperatures kept most pastures in fair conditions, at best. This also left many pastures in soggy condition. Pastures at the upper elevation of Mauna Kea, however, were still dry and in poor condition. Stock water supply levels were adequate. Most of the cattle and calves were in fair to good condition.

**Ka'u:** Increased rainfall toward the end of the month benefitted some middle to higher elevation pastures. With the exception of the rain gage at Pali2, which received near normal rainfall, all other areas in the district received below normal rainfall. This kept most pastures in fair to poor condition. Stock water supplies, however, were still adequate. Most of the cattle and calves were in fair to good condition.

**Kona:** Pasture condition in Kona were dry and in fair to poor condition. Rainfall was light with totals well below normal. South Kona and Central Kona pastures faired better than North Kona pastures which continued very dry and low on feed. Stock water levels were low. Cattle and calves were in fair to good condition with the feeding of some supplements.

**Kohala:** Dry weather continued into the month of November. Except for the Upolu rain gage which recorded rainfall totals near normal, all other areas of Kohala recorded rainfall totals below normal. The lack of rainfall slowed grass growth and turned most pastures dry. Leeward pastures continued very dry and were in poor condition. Stock water supplies were getting low. Cattle and calves were in fair to good condition, with some supplement being fed.

**Hamakua:** Light, but nearly daily trade showers provided for sufficient moisture to maintain pastures in fair conditions. Even the mid- to upper elevation pastures received enough precipitation to improve pasture conditions. Water hauling was necessary. Cattle and calves were in fair to good condition.

## Honolulu County

Heavy rains toward the end of November helped to push rainfall totals for the month to near to above normal for most rain gages. In general, windward pastures received more precipitation then leeward pastures. Although the bulk of the rains fell toward the end of the month, pastures were starting to show improved forage growth and were in fair to good condition. Cattle and calves were in fair condition.

## Kauai County

Rainfall activity slowed from the previous month, resulting in drier pastures on the island. Most rain gages recorded below normal precipitation, with the exception of some eastern locations, which received near normal totals. In general, pastures were in fair to good condition. Some webworm damage and infestation were on the increase along with an increase in the spread of weeds. Cooler temperatures had also slowed grass growth. Cattle and calves were in fair to good condition.

## Maui County

The east side of the island of Maui and much of the island of Molokai were the only sectors to have received near normal to above normal rainfall amounts for November. Elsewhere, conditions were somewhat drier. Much of the rains occurred toward the end of November and as a result did not immediately benefit pasture condition on December 1. However, most windward pastures were in better condition than pastures that were located along the leeward side. Cooler temperatures also slowed grass growth at the upper elevations. 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.***

## Hogs/Pork

### Record Beef Prices Support Pork Sector Above Year-Earlier Levels

Fourth-quarter prices of live equivalent 51-52 percent lean hogs are expected to average $37-$38 per cwt, almost 20 percent higher than a year ago. Weekly hog slaughter since the first week of October has been a consistent 2.1 million heads or above, with the exception of holiday weeks. Given this weekly slaughter pattern, fourth-quarter hog slaughter will fall only slightly below 1998 when fourth-quarter hog prices were $22 per cwt. With an expected slaughter of about 27.4 million head, and dressed weights of 199 pounds, fourth-quarter pork production will be record high at about 5.45 million pounds, nearly 4-percent greater than last year, and 4 percent more than in 1998. If current price and production expectations are met, the market will be faced with higher hog prices and record-high pork production, a situation at odds with all those Economics 101 scenarios where prices are low when production is high.

It appears that the dynamics of another variable – Choice beef prices – explain higher hog prices at the same time that the industry is producing record quantities of pork products. Record-high cattle and beef prices have probably fostered a shift by consumers toward relatively lower-priced pork products. The shift in demand toward pork is signaled by the higher wholesale carcass cutout value, which averaged $58.08 during October-November, almost 8 percent higher than in the same period last year. The higher cutout provided an incentive for packers to pay higher prices for hogs while, at the same time, enabling them to maintain positive slaughter margins.

### Stronger Retail Pork Prices Expected

Strong consumer demand for pork is expected to send fourth-quarter retail prices about 4 percent above same-period prices a year ago. Fourth-quarter retail pork prices typically drop below third-quarter prices. But this year the reverse is expected. Fourth-quarter prices are expected to be slightly higher than the third quarter price of $2.70 per pound. For 2003, retail prices are expected to average in the mid-$2.60 per pound range, less than 1-percent above 2002. In 2004, with tight beef supplies continuing to drive pork demand, and slightly lower pork production, consumers can expect to pay about 1 percent more for pork than in 2003.

### 2003 Pork Exports Running Ahead of A Year Ago

In the first 10 months of 2003, U.S. processors exported 1.4 billion pounds of pork, more than 6-percent above the same period last year. As usual, the largest foreign markets for U.S. pork products this year have been Japan, accounting for 49-percent of exports, Mexico, accounting for 19-percent, and Canada, which has so far taken 11 percent of U.S. pork exports. Larger exports to smaller Asian countries – Korea, Taiwan, and Hong Kong – have compensated for slower shipments to Canada.

So far this year, Japan has imported 683 million pounds of American pork products, almost 6-percent more than in the same period last year. The increase has come despite Japan's imposition of the pork Safeguard on August 1. The Safeguard is a 25-percent increase in the minimum import price of pork, which is sanctioned by the World Trade Organization to protect Japanese pork producers from the price effects of import surges. The Safeguard has been imposed three times by the Japanese Government in the last three calendar years. It will be lifted April 1, 2004, the first day of the Japanese fiscal year.

With the Safeguard in place, Japan imports less pork. When Safeguard imposition appears imminent, Japanese traders import enormous quantities of frozen pork, accumulating huge stocks to supply domestic markets while the Safeguard is in place. Imports of frozen pork thus decline the most while the Safeguard is in place, and imports of fresh pork products take relatively less of a "hit". Consequently, Denmark, which for geographic/transport reasons can only export frozen pork to Asia, is affected by the Safeguard to a greater degree than the United States and Canada, whose exporters ship both fresh and frozen pork products.

Japanese import data indicate that U.S. pork has gained market share so far this year, at the expense of Canada and Denmark. Through August, the U.S. share of Japanese imports was 34-percent, a 6-percent increase from the same period in 2002. The market shares of both Canada and Denmark declined. Canada lost 5-percent, while Denmark lost 9-percent.

Japanese market share changes are likely due, in part, to relative exchange rate changes that have taken place this year. Since January, the U.S. dollar has depreciated against the Japanese yen by more than 8-percent, meaning (ceteris paribus) that U.S. products were 8-percent cheaper in November than at the beginning of the year.

Both the Canadian dollar and the Danish krone have appreciated against the yen since January, likely contributing to market share losses. In November, the Canadian dollar cost almost 8-percent more in terms of the yen than in January, and the Danish krone appreciated about 3-percent against the yen.

Exchange rate dynamics in 2003 have favored American pork products, making them cheaper to Japanese customers, while currency appreciation makes Danish and Canadian products more expensive. Favorable U.S. dollar-yen rates, and the U.S. ability to ship fresh pork products while the Japanese market is hindered by the Safeguard, are likely factors driving gains in the U.S. share of Japan's pork import market.

The current USDA forecast has Japan importing about 1 percent fewer pork products in 2003 than last year. In 2004, Japan is expected to import the same quantity of pork as in 2003, with the U.S. market share gains likely to continue.

U.S. pork exports to Mexico through October show a gain of almost 3 percent over a year ago. Mexico imported 266 million pounds of U.S. pork in the first 10 months of 2003 and remains the second most important market for exported U.S. pork, accounting for 19 percent. Through September, Mexican imports were running behind last year, which was not unexpected given the sensitivity of Mexican consumers' pork demand to macroeconomic activity, and the lackluster performance of the North American economy for most of this year. Recently however, economic activity accelerated, incomes improved, and demand for U.S. pork products pushed above year-ago levels. With the Mexican economy expected to grow at a rate of 3.6 percent in 2004, continued growth of demand for U.S. pork products is expected. The current USDA forecast has Mexican pork imports increasing almost 3 percent next year.

Canadian imports of U.S. pork products through October have declined more than 4-percent over a year ago. Canada remains the third most important export market for U.S. pork products, accounting for 11 percent of U.S. exports so far this year. One explanation for the lower Canadian demand – despite the lower valued U.S. dollar – is the loss of competitiveness of Canadian pork on international markets due to the appreciation of the Canadian dollar. A loss of competitiveness abroad increases the likelihood that more Canadian pork products are being marketed domestically, perhaps "crowding-out" U.S. pork. In 2004, Canadian demand for U.S. pork products is expected to stabilize and to recover somewhat. USDA forecasts a 4-percent increase in total Canadian pork imports next year.

U.S. exports to smaller Asian countries – South Korea, Hong Kong, and Taiwan – have increased almost 38-percent over the same period in 2002. Together these three countries account for almost 11-percent of U.S. pork exports, and more than compensate for export reductions to Canada. Moderate growth rates of these economies this year, together with the lower valued U.S. dollar, are the likely factors driving import demand for U.S. pork products. Current USDA forecasts have 2004 pork imports of the smaller Asian economies increasing by less than 1 percent.

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

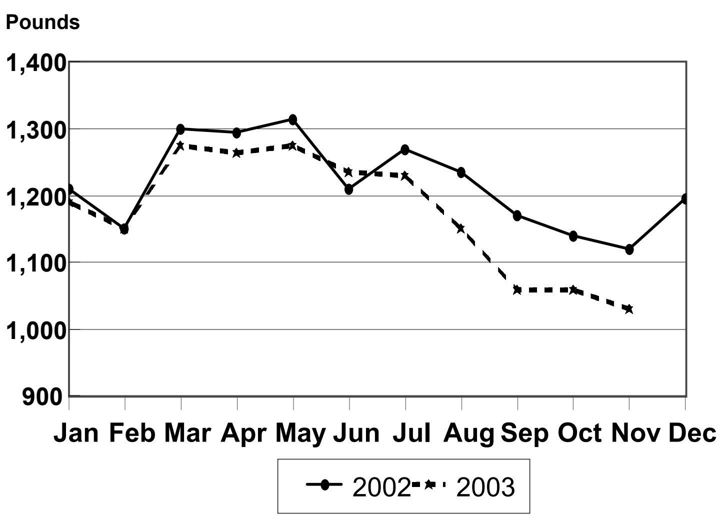
## NOVEMBER MILK OUTPUT 9 PERCENT BELOW NOVEMBER A YEAR AGO


In November, Hawaii's dairy cows produced 6.7 million pounds of milk, compared to 7.4 million pounds in November 2002 and 7.0 million pounds in October 2003. The cow inventory, both dry and in milk, numbered 6,500 head, 100 below November 2002 and October 2003. The average output per cow is 1,030 pounds in November, 90 pounds less than November 2002 and 30 pounds lower than October 2003. Milk production for the first eleven months of 2003 totaled 84.6 million pounds, a 5 percent decline from the comparable period in 2002.

### U.S. MILK PRODUCTION

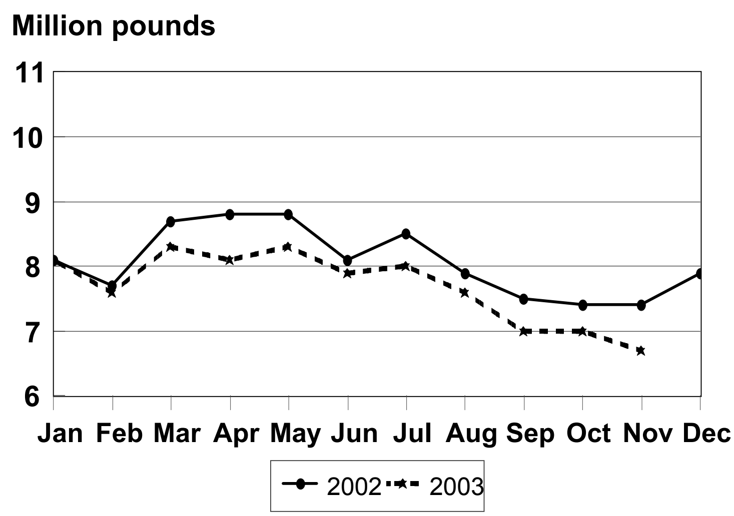
Milk production in the 20 major States during November totaled 11.6 billion pounds, down 0.2 percent from November 2002. October revised production, at 12.0 billion pounds, was down 0.1 percent from October 2002. The October revision represented an increase of 0.1 percent or 13 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,509 pounds for November, 13 pounds above November 2002. The number of milk cows on farms in the 20 major States was 7.71 million head, 82,000 head less than November 2002, and 10,000 head less than October 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, November 2003

| County | All milk cows [1,2,3] | | | Milk per cow [3] | | Milk production [1,3] | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 2002 | Oct. 2003 | Nov. 2003 | Nov. 2002 | Nov. 2003 | Nov. 2002 | Nov. 2003 | Year-to-date 2002 | Year-to-date 2003 |
| | - - - - - - Number - - - - - - | | | - - - Pounds - - - | | - - - - - - - - - - 1,000 pounds - - - - - - - - - - | | | |
| Hawaii | 3,160 | 3,300 | 3,200 | 950 | 825 | 2,995 | 2,640 | 32,410 | 32,235 |
| Honolulu | 3,400 | 3,300 | 3,300 | 1,295 | 1,240 | 4,405 | 4,100 | 56,460 | 52,400 |
| State | 6,600 | 6,600 | 6,500 | 1,120 | 1,030 | 7,400 | 6,700 | 88,900 | 84,600 |

[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, November 2003

| Commodity | | November 2002 | October 2003 | November 2003 |
|---|---|---|---|---|
| | | cents per pound | | |
| **Range steers and heifers** [1] | *- dressed weight* | 79.5 | 77.5 | 77.5 |
| | *- (live weight equivalent)* | ( 43.6 ) | ( 42.5 ) | (42.5 ) |
| **Cows** [1] | *- dressed weight* | 54.5 | 56.5 | 56.5 |
| | *- (live weight equivalent)* | ( 29.9) | ( 31.0 ) | (31.0 ) |
| **Market hogs** [1 2] | *- dressed weight* | 118.5 | 115.0 | 115.0 |
| | *- (live weight equivalent)* | ( 88.9 ) | ( 86.3 ) | (86.3 ) |
| | | dollars per 100 pounds | | |
| **Milk** [3] | | 23.70 | 25.30 | 25.30 |
| | | cents per dozen | | |
| **Eggs** [4] | | 89.5 | 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.

U.S. Department of Agriculture
Hawaii Agricultural Statistics Service
1428 South King Street
Honolulu, HI 96814-2512

PRESORTED STANDARD
Postage and Fees Paid
NATIONAL AGRICULTURAL
STATISTICS SERVICE
Permit No.G-38