HAWAII
AGRICULTURAL STATISTICS
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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FACT FINDERS FOR AGRICULTURE

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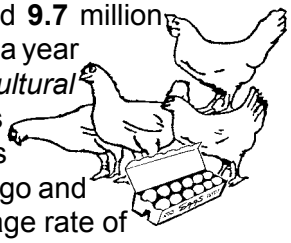
NOVEMBER EGG PRODUCTION 1 PERCENT ABOVE YEAR AGO



Egg production during November, totaled **9.7** million eggs (26,944 cases), 1 percent more than a year earlier, according to the *Hawaii Agricultural Statistics.* The average number of layers on hand during November 2004 was 512,000, compared with 499,000 a year ago and 505,000 during October 2004. The average rate of lay was 1,895 eggs per 100 layers (63.2 percent lay rate) compared with 1,924 (64.1 percent) a year ago. Cumulative production for the first eleven months of 2004 was 108.8 million eggs, 1 percent above the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.46 billion during November 2004, up 2 percent from last year. Production included 6.42 billion table eggs, and 1.04 billion hatching eggs, of which 980 million were broiler-type and 59 million were egg-type. The total number of layers during November 2004 averaged 343 million, up 2 percent from a year earlier. November egg production per 100 layers was 2,170 eggs, up slightly from November 2003.

November 2004 contained 22 weekdays, 4 Saturdays and 2 holidays compared to November 2003 contained 20 weekdays, 5 Saturdays and 2 holidays.

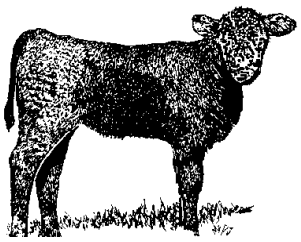
All layers in the U.S. on December 1, 2004, totaled 343 million, up 1 percent from a year ago. The 343 million layers consisted of 285 million layers producing table or market type eggs, 54.9 million layers producing broiler-type hatching eggs, and 2.51 million layers producing egg-type hatching eggs. Rate of lay per day on December 1, 2004, averaged 72.8 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.98 billion eggs during November 2004, up 2 percent from a year ago. The average number of layers during November, at 321 million, was up 2 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Nov. 2003	Oct. 2004	Nov. 2004	Nov. 2003	Nov. 2004	Nov. 2003	Nov. 2004	Year-to-date 2003	Year-to-date 2004
	------ Thousands ------			--- Number ---		---------- Millions ----------			
Hawaii/Kauai/Maui	110.0	124.9	125.3	2,167	1,679	2.37	2.09	26.60	25.30
Honolulu	389.0	380.1	386.7	1,860	1,968	7.23	7.61	80.60	83.50
State	499.0	505.0	512.0	1,924	1,895	9.60	9.70	107.20	108.80

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



NOVEMBER MARKETINGS 2 PERCENT BELOW YEAR AGO

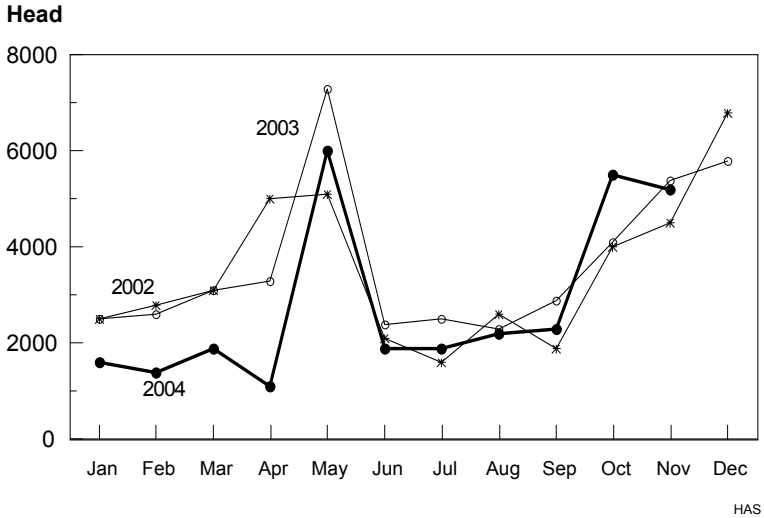
Cattle marketings during November totaled 6,100 head, compared with 6,200 head a year ago and 6,400 head during October 2004. All of the decrease in marketings was the result of fewer out-of-state shipments as local commercial slaughter was up slightly. Exports during November 2004 decreased 4 percent from a year ago to 5,200 head. Cumulative marketings for the first eleven months of 2004 was 43,700 head, a decrease of 10 percent from the same period a year earlier. Year-to-date exports for 2004 was 34,000 head, a decrease of 12 percent from the same 11-month period in 2003.

Cattle Marketings, State of Hawaii, November 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	
November	6,200	6,100	3,200	3,300	2,200	1,900	5,400	5,200	428	419
Year-to-date [4]	48,400	43,700	21,900	20,500	16,500	13,500	38,400	34,000	433	432

[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	
9-04-04	79.50	80.00
9-18-04	80.50	--

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 ABOVE A YEAR AGO

Commercial beef production (local slaughter) during November 2004 totaled 482,000 pounds, compared with 461,000 pounds a year earlier. Commercial kill for November 2004 totaled 900 head, 100 more than a year ago. Average live weight per head, at 1,005 pounds, was 5 percent lighter than a year ago. Year-to-date beef production was fractionally lower than the same 11-month period during 2003.

U.S. BEEF PRODUCTION

Beef production, at 1.94 billion pounds, was 9 percent above the previous year. Cattle slaughter totaled 2.54 million head, up 4 percent from November 2003. The average live weight was up 35 pounds from the previous year, at 1,271 pounds.

PORK PRODUCTION 3 PERCENT ABOVE A YEAR AGO

Commercial pork production during November 2004 totaled 354,000 pounds, compared with 343,000 pounds a year ago. Total hog kill of 2,300 head was 100 more than a year ago. Average live weight per head, at 205 pounds, was 1 pound lighter a year ago. Cumulative pork production for the first eleven months of 2004 was 7 percent below the same period in 2003.

U.S. PORK PRODUCTION

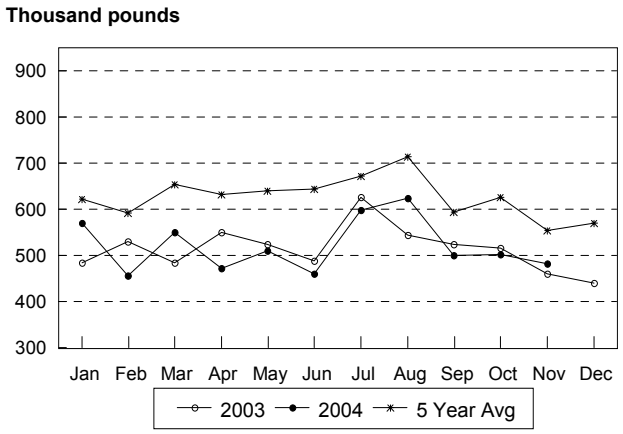
Pork production totaled 1.80 billion pounds, a new monthly record, and was up 5 percent from the previous year. Hog kill totaled 8.96 million head, 4 percent above November 2003. The average live weight was 1 pound above the previous year, at 270 pounds.

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

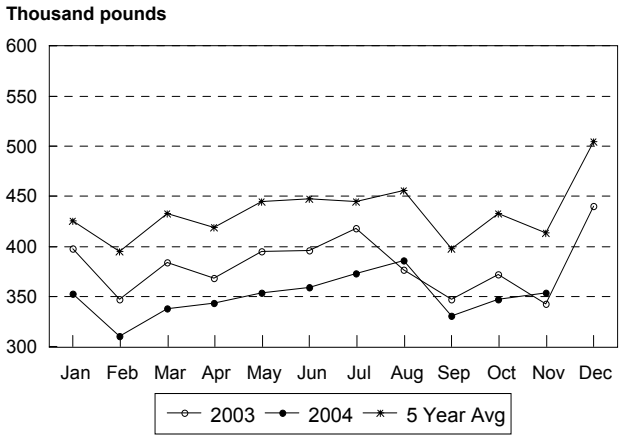
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			------ pounds ------		---------- 1,000 pounds ----------			
Cattle								
November	800	900	1,054	1,005	840	878	461	482
Year-to-date	10,000	9,700			10,447	10,437	5,735	5,730
Hogs [3]								
November	2,200	2,300	206	205	457	472	343	354
Year-to-date	26,400	25,400			5,525	5,132	4,144	3,849

[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, DECEMBER 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals were below normal for the month of November. However, almost daily morning showers helped to elevate moisture levels to a level which stimulated pasture growth which kept most pastures in fair to good condition. Most upper level pastures, and to a lesser extent the upper level Mauna Kea pastures, received sufficient moisture to stimulate good grass growth. However, cooler temperatures and shorter days has slowed this regrowth. Cattle and calves were in good condition.

Ka'u: On average this district received, percentage wise, the least amount of rainfall than any other district on the island of Hawaii. However, timely rains during the month combined with heavier rainfall towards the end of the month to help maintain most pastures in fair to good condition. New grass growth was good in many areas. Cattle and calves were in good condition.

Kona: Rainfall in the Kona district was variable. On average, North Kona pastures received about double the amount of rainfall it would normally receive for the month, while South Kona received below normal rainfall amounts. All areas benefitted from the heavy rainfall earlier in the month, but South Kona dried out during the second half of the month. Although the increase in moisture has been beneficial, it has also stimulated an increase in weed growth. In general, pastures were in good condition. Cattle and calves were in fair to good condition.

Kohala: Variable rainfall occurred in the Kohala district. The month of November was generally dry until moderate to heavy rains fell near month's end from an upper level low pressure system. Much of the precipitation fell around the saddle area, but windward Kohala Mountain pastures did not benefit from this moisture, which fell over many of the other areas of Kohala. Many areas were still dry and only had dry old feed on hand. Cattle and calves were in fair to good condition.

Hamakua: A generally dry month with several interspersed days of heavy rainfall. The relatively dry pasture conditions were slowly giving way to improved conditions as new grass growth takes hold. Pastures were in fair to good condition. Many stock water reservoirs were replenished from its critically low levels. Cattle and calves were in fair to good condition.

Honolulu County

Except for a few rain gage stations along windward Oahu, rainfall totals for the island of Oahu were above to well above normal for the month of November, especially along the drier leeward areas. Multiple weather systems throughout the month of November provided ample moisture, which kept most pastures green. In general, pasture conditions were rated good, with several low lying pastures, especially windward pastures either under water or soggy. Cattle and calf were in fair to good condition.

Kauai County

Rainfall totals were at or above normal for nearly the whole island, with the exception of portions of southeastern Kauai, where rainfall totals were below normal. Pastures on the northern side of the island were saturated from the continuing wet weather and were only in fair condition. Most other pastures were in good condition. Cattle and calves were also in good condition.

Maui County

Weather for Maui County was variable. Rainfall totals ranged from 24 percent at Kamalo, Molokai to 218 percent at Pukalani, Maui. In general, October and November rains provided most pastures in the county with green forage, although there were a few leeward and lower elevation pastures which were still dry. Pastures ranged from fair to good condition, with cooler temperatures slowing new grass growth. Cattle and calves were 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

Dairy

2004 Dairy Records All Around

The year of 2004 has been incredible for the U.S. dairy industry. Milk production is a record or near-record, commercial use has hit new highs, and prices have been extremely volatile throughout the year. Farm milk prices have jumped more than a fourth from 2003's average to a record $16 per cwt.

Expanded milk production in 2005 is projected to lend more stability to the industry and to lower prices. However, growth in milk production is not expected to be rapid, dairy product demand is expected to be pretty good, and commercial exports are projected to continue to absorb most of the domestic surplus of skim solids. Milk prices are projected to lose only about half of their 2004 increase.

Slow Milk Production Growth To Continue

Milk production continues its cautious expansion, running about 1 percent above a year earlier since it moved positive in early summer. Strength in milk prices has proven more persistent than earlier thought, probably bringing milk cow numbers near a year earlier for the first time since early 2003. However, growth in milk per cow remains rather anemic, as forage problems continue, improved price ratios between milk and concentrate feeds have yet to make a splash, and bovine somatotropin (BST) remains limited.

Record farm milk prices in 2004 have bolstered milk cow numbers. Although concentrate feed prices were high for part of the year, returns over concentrate costs have averaged about the highest ever. These returns apparently slowed the exit of farms from dairying, having improved the ability of even the weaker operations to hold on. Some effects may last into 2005 as these farms probably have used some of this year's windfall to get ahead on critical expenses.

The strong returns probably did not have as much impact on expansion by robust farms. Considerable incentive existed to keep facilities as full as possible, but many of the key factors in this year's prices likely were perceived to be too temporary to alter long-term growth plans. Even so, the infusion of cash probably will allow farms to expand somewhat sooner than otherwise.

Replacement heifer prices eased a little this autumn, but supplies probably have stayed tight. In 2004, replacement prices are expected to average over $1,600 per head, exceeding even the record of 2002. The United States remains closed to imports of breeding stock from Canada. The January inventory report might show a few more homegrown replacement heifers than at the start of 2004. However, any increase is likely to be modest because the greatest economic influence on this inventory would have been the relatively low replacement prices of 2003.

The upward drift in milk cow numbers that began early last winter appears to have peaked in early autumn. Cow numbers are projected to slowly decline in coming months as farm exits gradually resume, expansions stay moderate, and heifer supplies remain tight. Decreases may accelerate as 2005 progresses, but returns are expected to remain favorable enough to limit declines in cows. Cow numbers are expected to decline less than 1 percent in 2005, very similar to this year's slippage.

Milk per Cow Struggling

After a modest spur from favorable summer weather, milk per cow settled back into very weak growth. Restricted supplies of BST were a key factor but forage quality also played a role. A significant share of the hay produced in most major dairy areas this year was mediocre. Unusual culling due to the heifer shortage may also have been significant.

The price of milk relative to concentrate feed prices has been at levels associated with above-average growth in milk per cow since late 2003. However, the lack of apparent response may reflect mostly changes in feeding practices. The complexity of modern feeding has slowed responses to changes in economic incentives, and might even have diminished the role of prices in determining growth in milk per cow. Even so, ratios in 2005 are projected to favor, for the second straight year, increased feeding and recovery in milk per cow.

Monsanto has said that allocations will continue "well into 2005," but farmers using BST were able to start receiving 70 percent of normal use as of December 1, will get 85 percent as of January 1, and further boosts may occur. Expanded BST use could significantly enhance recovery in milk per cow growth, particularly since returns to the hormone are projected to be relatively favorable.

Milk per cow in 2004 is projected to toal only about 1 percent more than in 2003, following a similar weak showing in 2003. Milk per cow in 2005 is expected to rise almost 3 percent, a seemingly impressive rise. However, this increase would represent a rather modest recovery towards the long-run trend.

Milk production is projected to end 2004 stronger than earlier in the year. Even so, the annual total is expected to be almost unchanged from a year earlier. Output in 2005 is projected to expand about 2 percent, the first sizable rise since 2002.

Fall From 2004 Record Milk Price Seen as Limited

Late 2004 recovery will leave average farm milk prices near $16 per cwt, up about $3.50 from 2003 and easily a record. Milk prices have averaged above a year earlier since the summer of 2003. The year-to-year rise in farm prices was the largest proportional rise since World War I.

In 2004, the value of milk for cheese exceeded the value for milk for butter-nonfat dry milk by a wide margin. This stood in sharp contrast to most of the 2000-02 period when butter-powder values were dominant. The advantage to cheese is expected to narrow in 2005 as extra milk is expected to lower butter and cheese prices but have little impact on powder prices.

Milk prices are projected to fall to $13.85-$14.65 in 2005, still considerably above those of 2002 and 2003. Much will hang on the size and steadiness of the expansion in milk production, where uncertainty is boosted by the BST situation as well as other milk-per-cow factors. Demand growth is expected to be only modestly favorable but could pick up if the economy finds steadier footing. Lastly, behavior by buyers, stung by this year's price volatility, may be somewhat erratic.

Retail dairy prices in 2004 are projected to average about 8 percent above a year earlier, following almost no change in 2003. Although the farm-to-retail price spread posted increases during the second half, the average spread decreased slightly for the second year in a row. Despite the relatively large increase this year, retail dairy prices in the last 5 years have risen less than 3 percent annually, similar to prices of all food and a little less than prices of all items.

Retail prices of manufactured dairy products reacted rather typically to wholesale price swings, lagging changes in both directions, but fluid milk price changes were highly unusual. Late 2003 farm price increases and the early portion of the 2004 rise were almost not seen in retail prices of fluid milk. Retail milk prices then made an unprecedented jump in May. When farm milk prices dropped, retail prices fell relatively quite quickly in August and September. Several factors may have contributed to this unusual pattern. Fluid milk sales have generally been rather weak, leaving retailers concerned that price increases might sap sales even more.

Fluid milk sales make the greatest contribution to net margins for the dairy case, even though gross margins are relatively modest. In addition, supermarkets are being seriously challenged by the mixed-merchandise discount chains. Supermarket milk sales had been affected less than most sales because shopping frequency at the discounters was low. As the frequency has increased, supermarkets have seen a larger share of milk sales being challenged.

Retail dairy prices are expected to increase less than 2 percent in 2005. Increases in the spread are projected to just outweigh the decreases in farm milk prices. However, retail pricing of fluid milk might stay somewhat atypical and unpredictable.

Full text of stories covered above can be found at:
Source: ***Livestock, Dairy, and Poultry Outlook, December 16, 2004, Economic Research Service, United States Department of Agriculture.***
Internet web site: http://www.ers.usda.gov/publications/ldp/

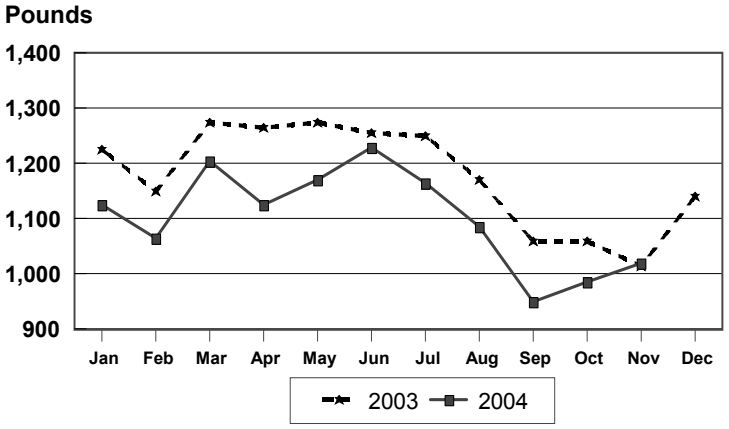
NOVEMBER MILK LOWER THAN LAST YEAR

Hawaii's dairy cows produced 5.8 million pounds of milk in November, compared with 6.7 million pounds for the same month a year ago and 5.7 million pounds for the previous month. Both the dry and milk cow inventory numbered 5,700 head, down 900 from November last year and 100 lower than October this year. In November, output per cow averaged 1,020 pounds, 5 pounds above the same month last year and 35 pounds more than the previous month. Cumulative production for 2004 totaled 74.6 million pounds, 12 percent below the comparable January through November period in 2003.

Milk production in the 20 major States during November totaled 11.8 billion pounds, up 1.2 percent from November 2003. October revised production, at 12.3 billion pounds, was up 1.4 percent from October 2003. The October revision represented an increase of 0.1 percent or 9 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,526 pounds for November, 9 pounds above November 2003. The number of milk cows on farms in the 20 major States was 7.77 million head, 44,000 head more than November 2003, but unchanged from October 2004.

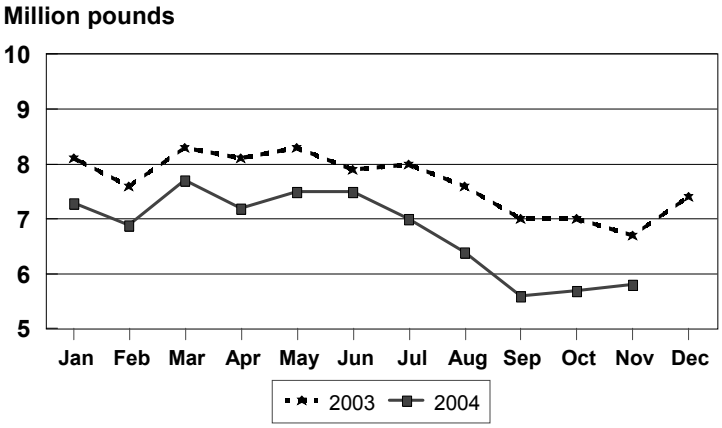
U.S. MILK PRODUCTION

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, November 2004

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Nov. 2003	Oct. 2004	Nov. 2004	Nov. 2003	Nov. 2004	Nov. 2003	Nov. 2004	Year-to-date 2003	Year-to-date 2004
	------ Number ------			--- Pounds ---		---------- 1,000 pounds ----------			
Hawaii	3,300	[4]	[4]	800	[4]	2,645	[4]	32,270	[4]
Honolulu	3,300	[4]	[4]	1,240	[4]	4,100	[4]	52,355	[4]
State	6,600	5,800	5,700	1,015	1,020	6,700	5,800	84,600	74,600

[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, November 2004

Commodity		November 2003	October 2004	November 2004
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	81.0	86.5	88.0
	- (live weight equivalent)	(44.5)	(47.5)	(48.3)
Cows [1]	*- dressed weight*	51.0	52.0	52.0
	- (live weight equivalent)	(28.0)	(28.5)	(28.5)
Market hogs [1 2]	*- dressed weight*	117.5	117.0	118.0
	- (live weight equivalent)	(88.2)	(87.8)	(88.5)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		25.20	25.10	25.10
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		99.5	105.0	103.0

[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.