HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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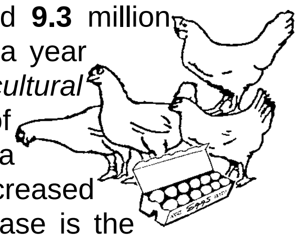
FEBRUARY EGG PRODUCTION UP 3 PERCENT FROM A YEAR AGO



Egg production during February, totaled **9.3** million eggs (25,833 cases), 3 percent above a year earlier, according to the *Hawaii Agricultural Statistics Service*. The average number of layers on hand declined 2 percent from a year ago, while the average rate of lay increased 5 percent from a year ago. This increase is the direct result of having one extra day (leap year) during February 2004. The average number of layers on hand during February 2004 was 501,000, compared with 509,000 a year ago, and 492,000 during January 2004. The average rate of lay was 1,856 eggs per 100 layers (64.0 percent lay rate) compared with 1,768 (63.1 percent) a year ago. Cumulative production for the first two months of 2004 was 19.0 million eggs, 1 percent below the same period in 2003.

U.S. EGG PRODUCTION

U.S. egg production totaled 6.89 billion during February 2004, up 3 percent from last year. Production included 5.89 billion table eggs, and 1.00 billion hatching eggs, of which 948 million were broiler-type and 54.0 million were egg-type. The total number of layers during February 2004 averaged 339 million, down slightly from a year earlier. February egg production per 100 layers was 2,033 eggs, up 4 percent from February 2003.

February 2004 contained 29 days due to the leap year. Both February 2004 and February 2003 contained 20 weekdays, 1 holiday, and 4 Saturdays.

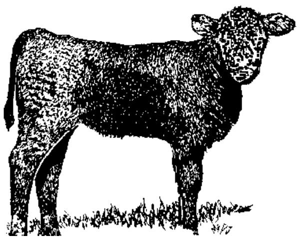
All layers in the U.S. on March 1, 2004, totaled 340 million, down slightly from a year ago. The 340 million layers consisted of 281 million layers producing table or commercial type eggs, 56.8 million layers producing broiler-type hatching eggs, and 2.44 million layers producing egg-type hatching eggs. Rate of lay per day on March 1, 2004, averaged 70.5 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.44 billion eggs during February 2004, up 3 percent from a year ago. The average number of layers during February, at 316 million, was down 1 percent from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Feb. 2003	Jan. 2004	Feb. 2004	Feb. 2003	Feb. 2004	Feb. 2003	Feb. 2004	Year-to-date 2003	Year-to-date 2004
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	116	120	128	1,977	1,830	2.2	2.3	4.8	4.6
Honolulu	392	372	373	1,728	1,847	6.8	6.9	14.3	14.3
State	509	492	501	1,768	1,856	9.0	9.3	19.2	19.0

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



FEBRUARY MARKETINGS OFF 43 PERCENT FROM YEAR AGO

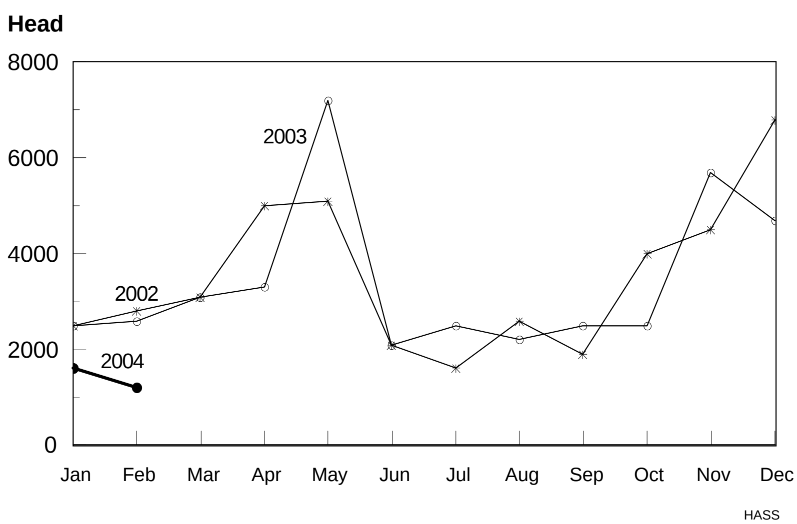
Cattle marketings during February totaled 2,000 head, compared with 3,500 head a year ago and 3,300 head during January 2004. Out-of-state shipments accounted for nearly all of the decline as exports decreased 54 percent from a year ago to 1,200 head with local slaughter declining 11 percent. Cumulative marketings for the first two months of 2004 was 4,500 head, a decrease of 35 percent from the same period a year earlier. Year-to-date exports for 2004 was 2,800 head, a decrease of 45 percent from the same 2-month period in 2003.

Cattle Marketings, State of Hawaii, February 2004

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	head								pounds	
February	3,500	2,000	1,400	900	1,200	300	2,600	1,200	339	449
Year-to-date [4]	6,900	4,500	2,800	1,900	2,300	800	5,100	2,800	422	455

[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	
12-27-03	-	-
1-10-04	77.00	76.50

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

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June Okamura — Kauai, Honolulu
Wendell Au — Honolulu

COMMERCIAL BEEF PRODUCTION 14 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during February 2004 totaled 456,000 pounds, compared with 530,000 pounds a year earlier. Commercial kill for February 2004 totaled 800 head, 100 fewer than a year ago. Average live weight per head, at 1,082 pounds, was 5 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 1.80 billion pounds, was 7 percent below the previous year. Cattle slaughter totaled 2.43 million head, down 6 percent from February 2003. The average live weight was down 28 pounds from the previous year, at 1,233 pounds.

PORK PRODUCTION DOWN 10 PERCENT FROM A YEAR AGO

Commercial pork production during February 2004 totaled 311,000 pounds, compared with 347,000 pounds a year ago. Total hog kill of 2,000 head was 200 less than a year ago. Average live weight per head, at 207 pounds, was 4 pounds lighter than a year ago.

U.S. PORK PRODUCTION

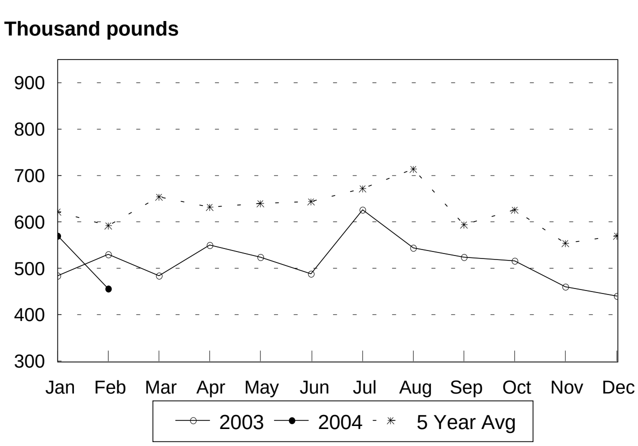
Pork production totaled 1.57 billion pounds, up 3 percent from the previous year and a new record high for February. Hog kill totaled 7.89 million head, 3 percent above February 2003. The average live weight was 1 pound above the previous year, at 268 pounds.

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

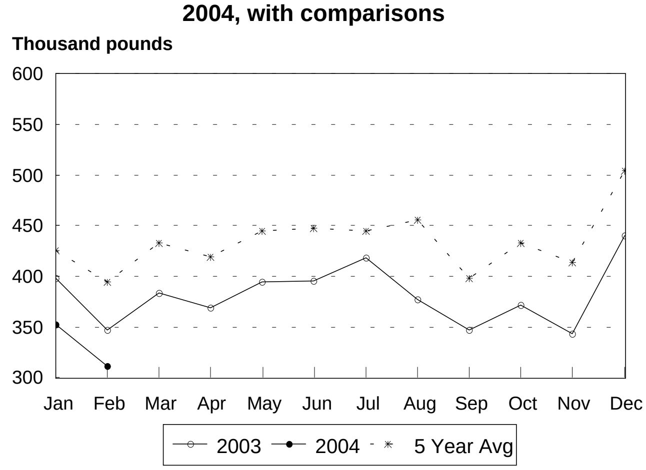
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2003	2004	2003	2004	2003	2004	2003	2004
			- - - - - - pounds - - - - - -		- - - - 1,000 pounds - - - -			
Cattle								
February	900	800	1,026	1,082	966	830	530	456
Year-to-date	1,800	1,700			1,848	1,869	1,015	1,026
Hogs [3]								
February	2,200	2,000	211	207	462	415	347	311
Year-to-date	4,800	4,400			993	885	745	664

[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, MARCH 1, 2004

Hawaii County

Hilo and Puna: Rainfall totals in the district, as a percentage of normal, was the lowest on the island and in the State, as all rain gages recorded rainfall at below normal levels. The majority of the rains which came in from the west were blocked by the mountains. However, the right combination of light showers and sunny periods provided for ideal conditions for forage growth. This kept most pastures in good to very good condition, with a few pastures in soggy condition. Stock water supplies were adequate. Most of the cattle and calves were in good condition.

Ka'u: This was the second month in which the district received ample rainfall to help maintain pastures in good condition. New grass growth was evident even in the normally dry lower elevation, coastal pastures. Stock water supplies were ample, while the condition of the cattle and calves were good.

Kona: The normally dry Kona district, benefitted from several winter storm systems, which brought rains in from the west, as opposed to the normal trade wind showers, which are normally blocked by the mountains. The storm system at month's end, boosted rainfall totals for February to well above normal levels. Pastures were in fair to good condition, with more improvement expected during March. Even the normally dry pastures of North Kona benefitted from the moisture and showed signs of good regrowth. Stock water levels were good. Cattle and calves were in good condition.

Kohala: Rainfall totals in the district were near normal to well above normal for most areas. New grass growth was good in all areas, even in lower leeward elevation pastures, which normally are dry. However, this increase in soil moisture was not all good news, on the detrimental side, the increase in soil moisture had also stimulated the spread of the noxious fireweed. Cattle and calves were in good condition.

Hamakua: Timely showers along with sunny days provided for ideal conditions to stimulate good new grass growth. Pastures condition improved to good for nearly all locations. However, cool temperatures slowed grass growth at the higher elevations. Stock water supplies were adequate. Cattle and calves were in good condition.

Honolulu County

Rainfall during much of February was light, that is, until the end of the month when a major storm brought heavy rains which pushed rainfall totals for the month to well above normal levels. Pastures which were starting to recover and dry-out from the previous rains were now again saturated and soggy. In general, forage supply was good, although the ground was bit wet. Pastures were in good condition. Cattle and calves were also in fair to good condition.

Kauai County

In general, the southern and western sectors of the island received above normal rainfall totals, while portions of the northern and eastern sectors recording below normal rainfall amounts at some of its rain gages. Most pastures were in fair to good condition (with weeds growing better than grass in some areas), but continued cool temperatures and cloudy conditions hampered new grass growth. Cattle and calves were in fair to good condition.

Maui County

With most rain gages recording rainfall totals near normal to above normal and much of the rainfall coming in from the west, nearly all of the pastures in the county were in good condition. The increase in soil moisture not only stimulated some good new grass growth, but also the growth of the undesirable Fireweed in some previously dry pasture locations. Forage growth along the upper elevations had slowed due to cool temperatures and overcast conditions. Cattle and calves were in good to very 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

Poultry

Avian Influenza Outbreaks Cloud Trade Outlook

The U.S. poultry industry continues to be rocked by outbreaks of Avian Influenza (AI) in various States. There have been outbreaks in Delaware, New Jersey, Pennsylvania, Texas, and most recently in Maryland. The outbreak in Maryland was at a commercial broiler operation and located where there are a large number of other operations within a relatively short distance. The current assumption is that the countries currently banning all U.S. poultry shipments will, over time, eventually target specific States, provided there are no further outbreaks of AI. The timetable for this regionalization process will vary from country to country. Mexico recently announced that some exports from the United States can resume. There are restrictions on what products specified States can export to Mexico and on the storage of poultry products in Texas before entering Mexico. Due to the number of bans or restrictions placed on the export of broiler products, the forecast for broiler exports was lowered to 4.96 billion pounds from the previous forecast of 5.28 billion pounds.

Cattle/Beef

Poor Feedlot Performance Offsets Export Supplies, Supporting Prices

Strong beef demand and poor feedlot performance due to poor feeding conditions are helping to offset the negative impact of the export bans on U.S. beef and cattle since December 23. Additional help is on the way as the United States, Canada, and Mexico finalize protocols that will allow beef and cattle to move within the three NAFTA countries. Safety certification issues were resolved with Mexico on March 9, and three U.S. plants were approved to begin shipping boneless beef from cattle under 30 months of age to Mexico. The three countries also are likely to resolve issues regarding beef processed on a supply line dedicated to cattle under 30 months of age.

First-quarter beef production is expected to decline about 6 percent as the supply of market-ready cattle slows due to poor feedlot performance. Steer and heifer federally inspected slaughter weights in late February were averaging 25 to 30 pounds under a year earlier. However, weights are expected to move well above year-earlier levels this spring and throughout the rest of the year, particularly in comparison with the sharply lower weights in 2003. Dressed slaughter weights in first-half 2003 were also held down by poor weather conditions, then in the second half as weather conditions improved, fed cattle were marketed ahead of schedule due to the ban on importing beef and cattle from Canada and very tight beef supplies. First-quarter slaughter weights will likely be near 10 pounds below last year's low level and about 16 pounds below the 2002 record. Weights seasonally decline into late April-early May depending on weather conditions.

Cow slaughter has dropped sharply below the large year-earlier levels. Total cow slaughter rose 6 percent in 2003, the largest slaughter since 1997. First-quarter cow slaughter is expected to decline about 12 percent, with the sharpest declines occurring in beef cow slaughter. Cow slaughter will likely remain well below the large recent levels for the next several years, but forage conditions remain an important determinant. Steer and heifer slaughter, while remaining below year-earlier levels this year, are expected to rise seasonally through summer. Dressed weights are expected to rise above a year earlier in late spring, likely exceeding 2002's record setting pace in the second half of the year as demand for higher grading beef remains strong and beef supplies tighten into fall.

Hogs/Pork

Higher Hog and Pork Prices Expected

Price Forecasts for first-half 2004 hogs and pork products moved higher at the same time that 2004 slaughter and production are shaping up to be larger-than-earlier expected. Despite the depreciated value of the U.S. dollar, record-large numbers of imported Canadian feeder pigs and slaughter hogs are ratcheting slaughter and production upward, while pork consumers S domestic and foreign S appear willing to pay higher prices for greater supplies of pork products. Consumer interest in high protein diets, relatively high prices for substitute animal proteins, and strong Asian demand for U.S. pork products, are the major factors driving the pork market right now.

U.S. Pork Production Edging Higher on Larger Slaughter

Pork production is expected to be 20.3 billion pounds of pork in 2004, on a slaughter of more than 102 million head of hogs. At the margin, U.S. hog slaughter and pork production are each being ratcheted higher by U.S. hog finisher demand for Canadian feeder pigs, and by U.S. processor demand for Canadian slaughter hogs. Weaker product demand and a lower slaughter in Canada make U.S. processor offers more attractive to sellers of Canadian slaughter hogs. On a cumulative basis through February 21, 2004, Canadian slaughter was 1 percent lower compared with the same period last year, while cumulative U.S. slaughter over the same period is running about 1 percent ahead of last year.

USDA's Animal and Plant Health Inspection Service (APHIS) data suggest that imports of Canadian feeder pigs so far in 2004 are running significantly ahead of the same period last year. Through the third week of February, APHIS reported that more than 1.4 million swine were imported from Canada, 66 percent of which were feeder animals. Last year during the same period, less than 1 million animals came across the border, 70 percent of which were feeder animals.

Dairy

Dairy Outlook for 2004

Last year was a year of transition. The surge in dairy farm expansions and the period of very low exit of weaker farms, both triggered by the generally high returns of 1996-2001, finally came to an end. Meanwhile, dairy product demand was slowly moving out of its late 2001-2002 weakness. It only remained to work off the huge butter stocks before dairy markets could return to better balance S something that was accomplished by yearend.

Conditions in 2004 promise to be considerably different. Farm structural changes are likely to show the effects of the low 2002-03 returns, while milk per cow is beset with a number of possible weaknesses. Demand appears to be mostly back to normal, and stocks are moderate. Prices are expected to recover this year.

Demand Slowly Recovering

Recent patterns of commercial use illustrate how the structure of dairy product demand has changed over the years. Restaurant use of butter and cheese began to weaken in late 2001 S early 2002 in response to economic softness and shifting consumer expenditures. This weakness persisted well into 2003. By late in the year, economic recovery had brought restaurant spending back, and cheese and butter use were showing some strength. However, dairy demand from this sector still lagged the very brisk 1999-2001 period.

Food processor use of dairy products as ingredients was particularly sluggish during the last 2 years. Dairy products are generally used to boost quality in premium versions of foods, a position that makes them vulnerable when consumers become more conservative about food spending. There may have been a modest recovery in ingredient use late in 2003, but this segment generally remains weak.

The retail segment was a bit more robust than the other segments in 2003 but was somewhat sluggish most of the year. Consumers seemed to be passing by the treats they had bought in earlier years. However, the autumn holiday season reportedly was the strongest in a number of years.

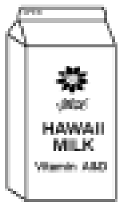
Despite generally favorable dairy prices in 2003, commercial use grew only modestly. Milkfat sales grew about 2 percent following 2002's fractional increase. The 2003 use of skim solids was about 1 percent larger than in 2002, after no growth that year. Cheese sales rose only about 1 percent as a slip in American cheese use offset part of the gain for other varieties. Restaurant woes may have been particularly important for American cheese sales. Commercial disappearance of butter rose 1 percent in 2003, as strength late in the year overcame early declines. However, butter use probably was even stronger than autumn disappearance data indicate because the very disappointing 2002 holiday season probably had left swollen pipeline holdings at the start of 2003. Fluid milk sales slipped fractionally, while use of most perishable manufactured products was weak.

Dairy demand appears to have gained some momentum during 2003 and is expected to continue its recovery this year. The restaurant segment is projected to do better, and ingredient use should come back somewhat. However, the improvements as yet has not been either steady or strong. Consumer spending may stay unsettled. In addition, it is unclear what the effects of recent intense media attention on weight problems might be.

Commercial use of all dairy products is projected to grow about 1 percent on a milkfat basis in 2004. Boosted by expected larger ingredient use, commercial use on a skim solids basis is projected to rise more S about 2 percent. Although welcome, these increases represent only modest recovery in dairy demand.

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

FEBRUARY 2004 OUTPUT DOWN

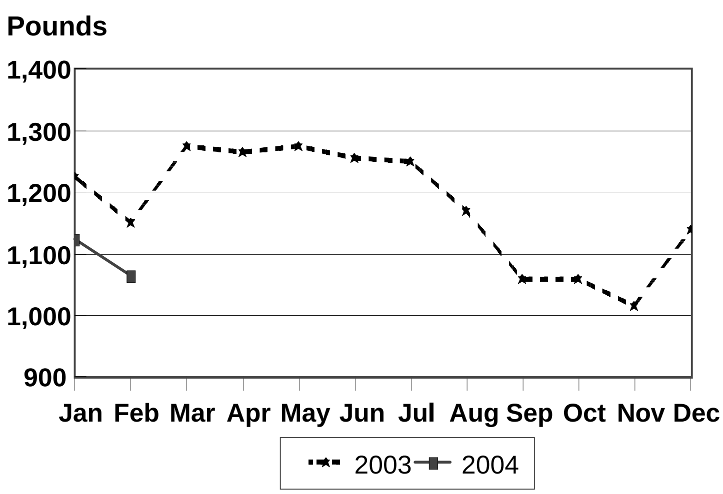


In February, Hawaii's dairy cows produced 6.9 million pounds of milk, compared to 7.6 million pounds in February 2003 and 7.3 million pounds in January 2004. Although output was down, leap year gave an added day of production. The cow inventory, both dry and in milk, numbered 6,500 head, 100 head below February 2003 but unchanged from January 2004. In February, the average output per cow was 1,065 pounds, 85 pounds less than February 2003 and 60 pounds below January 2004. Production for the first two months of this year was 10 percent less than the comparable period in 2003 totaling 14.2 million pounds.

U.S. MILK PRODUCTION

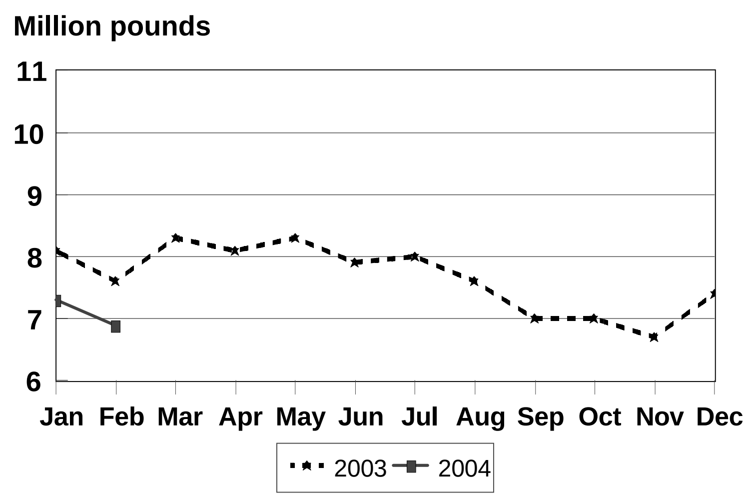
Milk production in the 20 major States during February totaled 11.8 billion pounds, up 1.7 percent from February 2003. However, adjusting production for the additional day due to the leap year causes February milk production to be down 1.8 percent on a per day basis. January revised production, at 12.5 billion pounds, was down 1.0 percent from January 2003. The January revision represented a decrease of 11 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,531 pounds for February, 42 pounds above February 2003.

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



HASS

Total Milk Production, State of Hawaii, 2003-2004



HASS

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Feb. 2003	Jan. 2004	Feb. 2004	Feb. 2003	Feb. 2004	Feb. 2003	Feb. 2004	Year-to-date 2003	Year-to-date 2004
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,300	3,300	3,300	910	865	3,005	2,850	6,140	5,860
Honolulu	3,300	3,200	3,200	1,385	1,275	4,565	4,080	9,535	8,325
State	6,600	6,500	6,500	1,150	1,065	7,600	6,900	15,700	14,200

[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.

Average farm prices, State of Hawaii, February 2004

Commodity		February 2003	January 2004	February 2004
		cents per pound		
Range steers and heifers [1]	- *dressed weight*	75.0	82.0	83.0
	- *(live weight equivalent)*	(41.2)	(45.0)	(45.6)
Cows [1]	- *dressed weight*	56.0	52.0	52.0
	- *(live weight equivalent)*	(30.7)	(28.5)	(28.5)
Market hogs [1 2]	- *dressed weight*	114.0	116.0	117.0
	- *(live weight equivalent)*	(85.5)	(87.0)	(87.8)
		dollars per 100 pounds		
Milk [3]		23.00	24.10	23.80
		cents per dozen		
Eggs [4]		84.0	102.0	105.0

[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.