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## **Young Brothers Report: Neighbor Island Cargo Volumes Rose 4 Percent In First Quarter of 2014**

*Agricultural Cargo Volume Jumped Nearly 5 Percent*

HONOLULU (May 19, 2014) – Intrastate cargo shipments between Honolulu and six neighbor island ports increased by 4.0 percent in the first quarter of 2014 when compared to the same period a year ago, according to the **Young Brothers Quarterly Shipping Report**.

“While this appears to be a solid start to 2014,” said Glenn Hong, president of Young Brothers, “2013 started out with a 3.9-percent drop. So we are cautious in our interpretation of first quarter results because 2014 is only back to first quarter of 2012 volumes. Going forward, our quarterly comparisons will be tested since it was in the second quarter of 2013 when cargo volumes began experiencing steady growth.”

However, the first quarter of 2014 results mark four consecutive quarters of cargo volume increases, quarter over quarter. After the drop in cargo in the first quarter of 2013, cargo volumes climbed 4.4 percent in the second quarter, then 5.2 percent in the third quarter, and 0.6 percent in the fourth quarter. For the 12 months of 2013, overall volume increased 1.5 percent over 2012.

Four Neighbor Island ports experienced growth in cargo volume during the January to March 2014 period: Maui, 4.2 percent; Hilo, 8.2 percent; Kawaihae, 2.6 percent; and Lanai, the smallest port in terms of cargo volume within the Young Brothers system, 41.5 percent. The growth of cargo volume to Lanai is tied largely to increases in shipments of materials for building renovations and improvements.

Cargo volume to Molokai dropped 3.4 percent in the first quarter, while volume to Kauai was basically flat, down 0.1 percent.

Several industry segments experienced notable increases in volume during the quarter, including auto rentals, renewable energy, construction services and equipment, and manufacturing (non-food products). A handful of categories experienced declines in cargo, including food/beverages and food distributors/manufacturers.

Shipping volumes for the first quarter are shown by port in Appendix 1.

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### **Local Agricultural Cargo Spiked 4.8 Percent in First Quarter**

During the first of quarter 2014, island agricultural cargo volume statewide increased 4.8 percent over the same period last year. This follows a slight dip in the fourth quarter of 2013, when shipments were down 0.4 percent.

“We saw a rise in cargo across the diverse range of agricultural products, particularly in the area of local beef and taro,” Hong said. “We also are starting to see more of these types of local products being shipped by smaller scale farmers as demand increases. Other types of produce, plants and aquaculture products also experienced growth in volume.”

Agricultural cargo exports jumped at every port during the quarter, except for Maui: Honolulu, up 9.8 percent; Kawaihae, up 17.4 percent; Hilo, 2.4 percent; Kauai, 38.5 percent; and Molokai, 10.5 percent. Maui experienced an 8.1-percent decrease in agricultural shipments, possibly due to heavy rains affecting crop yield. (Lanai does not currently export agricultural cargo.)

Local agricultural volume includes only cargo that qualifies for the company’s island agricultural product discount of 30 to 35 percent, which applies to locally grown products. Agricultural cargo volumes for the first quarter are shown by port of origin in Appendix 2.

### **About the Young Brothers Quarterly Shipping Report**

Young Brothers’ quarterly intrastate shipping volumes reflect only cargo shipments that originate and terminate within Hawaii. The Young Brothers Quarterly Shipping Report was initiated in 2012. The company will release its second quarter 2014 results in August 2014.

Young Brothers, Limited, with approximately 340 employees across the state, has served Hawaii since 1900. Young Brothers is a publicly regulated water carrier providing 12 weekly port calls from Honolulu to the State’s neighbor island ports, including Hilo, Kawaihae, Maui, Lanai, Molokai and Kauai. For more information, visit [www.youngbrothershawaii.com](http://www.youngbrothershawaii.com).

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**Appendix 1**  
**Young Brothers, Limited**  
**Neighbor Island Intrastate Cargo Volume – First Quarter 2014**

| <i>Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports</i> |               |               |                |
|---|---------------|---------------|----------------|
|   | Q1 2014       | Q1 2013       | Percent Change |
| <b>All Ports</b>  | <b>32,384</b> | <b>31,144</b> | <b>4.0%</b>    |
| <b>Kahului, Maui</b>  | <b>11,851</b> | <b>11,377</b> | <b>4.2%</b>    |
| Inbound   | 8,705         | 8,461         | 2.9%           |
| Outbound  | 3,146         | 2,916         | 7.9%           |
| <b>Hilo, Hawaii</b>   | <b>8,115</b>  | <b>7,496</b>  | <b>8.2%</b>    |
| Inbound   | 5,615         | 5,359         | 4.8%           |
| Outbound  | 2,500         | 2,137         | 17.0%          |
| <b>Kawaihae, Hawaii</b>   | <b>5,002</b>  | <b>4,876</b>  | <b>2.6%</b>    |
| Inbound   | 3,724         | 3,583         | 3.9%           |
| Outbound  | 1,278         | 1,294         | (1.2%)         |
| <b>Nawiliwili, Kauai</b>  | <b>6,979</b>  | <b>6,984</b>  | <b>(0.1%)</b>  |
| Inbound   | 5,571         | 5,591         | (0.3%)         |
| Outbound  | 1,408         | 1,393         | 1.1%           |
| <b>Kaunakakai, Molokai</b>  | <b>1,460</b>  | <b>1,511</b>  | <b>(3.4%)</b>  |
| Inbound   | 1,094         | 1,131         | (3.2%)         |
| Outbound  | 366           | 380           | (3.8%)         |
| <b>Kaumalapau, Lanai</b>  | <b>1,380</b>  | <b>975</b>    | <b>41.5%</b>   |
| Inbound   | 1,131         | 818           | 38.2%          |
| Outbound  | 249           | 157           | 58.6%          |

**NOTE:** The “All Ports” category reflects every unique cargo item transported by Young Brothers. In contrast, the sum of individual ports is greater than the amount of unique shipments in the “All Ports” total. This is because transshipment cargo volumes (i.e., cargo that originates on a neighbor island, is transshipped at YB’s Honolulu hub and terminates at another neighbor island port) are attributed to the neighbor island origin port as “outbound” cargo and the neighbor island destination port as “inbound” cargo. Transshipped cargo makes up a relatively small percentage of total cargo volume.

**Appendix 2**  
**Young Brothers, Limited**  
**Agricultural Cargo Volume by Island and Port – First Quarter 2014**

| <i>Outbound Agricultural Cargo (CPEs)</i> |              |              |                |
|---|--------------|--------------|----------------|
|   | Q1 2014      | Q1 2013      | Percent Change |
| <b>All Islands</b>                        | <b>1,858</b> | <b>1,773</b> | <b>4.8%</b>    |
| <b>Oahu (Honolulu)</b>                    | <b>370</b>   | <b>337</b>   | <b>9.8%</b>    |
| <b>Maui (Kahului)</b>                     | <b>296</b>   | <b>323</b>   | <b>(8.1%)</b>  |
| <b>Hawaii Island</b>                      | <b>1,012</b> | <b>963</b>   | <b>5.2%</b>    |
| Hilo                                      | 801          | 783          | 2.4%           |
| Kawaihae                                  | 211          | 180          | 17.4%          |
| <b>Kauai (Nawiliwili)</b>                 | <b>62</b>    | <b>45</b>    | <b>38.5%</b>   |
| <b>Molokai (Kaunakakai)</b>               | <b>117</b>   | <b>106</b>   | <b>10.5%</b>   |
| <b>Lanai (Kaunapau)</b>                   | <b>0</b>     | <b>0</b>     | <b>N/A</b>     |

**NOTE:** Agricultural cargo volumes represent all regulated Young Brothers cargo which qualified for the 30% to 35% “Island Product” discount. In contrast to total cargo volumes in Appendix 1, agricultural cargo volumes are categorized only by the port from which they originated, meaning the island on which the agricultural product was grown.

**Note regarding CPE unit of measurement:** Young Brothers measures its cargo in units called “container/platform equivalents” (CPE), which allow a comparison of cargo volumes across different sizes of containers and other non-standardized cargo types.