HAWAII AGRICULTURAL STATISTICS SERVICE

NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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IN THIS ISSUE

JANUARY EGG PRODUCTION 4 PERCENT BELOW YEAR AGO

Egg production during January 2001, totaled **11.7** million eggs (32,500 cases) 4 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. An increase in the average number of layers on hand was not enough to offset the decline in the average rate of lay, resulting in the lower production. The average number of layers on hand during January 2001 was 615,000 compared with 580,000 a year ago and 616,000 during December 2000. The average rate of lay was 1,902 eggs per 100 layers (61.4 percent lay rate) compared with 2,103 (67.8 percent) a year ago.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.21 billion during January 2001, up 1 percent from last year. Production included 6.11 billion table eggs and 1.10 billion hatching eggs, of which 1.03 billion were broiler-type and 67.0 million were egg-type. The total number of layers during January 2001 averaged 333 million, up 1 percent from the total average number of layers during January 2000. January egg production per 100 layers was 2,164 eggs, down 1 percent from 2,178 eggs in January 2000.

January 2001 contained 23 weekdays, 2 holidays and four Saturdays, compared to 21 weekdays, 2 holidays and 5 Saturdays in January 2000.

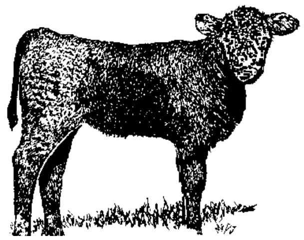
All layers in the U.S. on February 1, 2001 totaled 335 million, up 2 percent from a year ago. The 335 million layers consisted of 276 million layers producing table or commercial type eggs, 56.2 million layers producing broiler-type hatching eggs, and 2.81 million layers producing egg-type hatching eggs. Rate of lay per day on February 1, 2001, averaged 69.1 eggs per 100 layers, down slightly from the 69.4 eggs a year ago.

Laying flocks in the 30 major egg producing States produced 6.75 billion eggs during January 2001, up slightly from January 2000. The average number of layers during January, at 312 million, was up 1 percent from a year earlier.

Number of layers and egg production, State of Hawaii, January 2001 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Jan. 2000	Dec. 2000	Jan. 2001	Jan. 2000	Jan. 2001	Jan. 2000	Jan. 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	147	148	153	2,074	2,015	3.1	3.1	3.1	3.1
Honolulu	433	468	462	2,096	1,866	9.1	8.6	9.1	8.6
State	580	616	615	2,103	1,902	12.2	11.7	12.2	11.7

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



JANUARY MARKETINGS 40 PERCENT LESS THAN A YEAR AGO

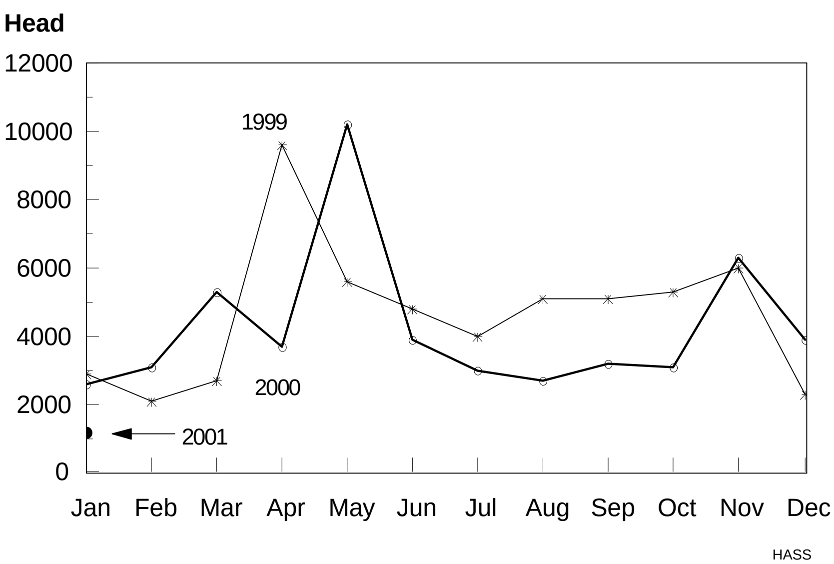
Cattle marketings during January 2001 totaled 2,400 head, compared with 4,000 a year ago and 5,000 during December 2000. Declines in both out-shipments and cattle for local slaughter accounted for the 40 percent drop in marketings compared with the previous January. Cattle and calves shipped out-of-State totaled 1,200 head compared with 2,600 a year earlier and 3,900 during December.

Cattle Marketings, State of Hawaii, January 2001

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
	head								pounds	
January	4,000	2,400	1,600	700	1,000	500	2,600	1,200	430	450
Year-to-date [4]	4,000	2,400	1,600	700	1,000	500	2,600	1,200	430	450

[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, 1999-2001



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 California		
2-3-01	78.00	—
2-24-01	75.00	—
from Sioux Falls		
2-3-01	75.00	74.75
2-24-01	77.25	77.00

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 BELOW A YEAR AGO

Commercial beef production (local slaughter) during January 2001 totaled 663,000 pounds compared with 699,000 pounds a year earlier. Commercial kill for January 2001 totaled 1,200 head, 200 fewer than a year ago. Average live weight per head, at 1,011 pounds, was 12 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.20 billion pounds, was 1 percent above the previous year. Cattle slaughter totaled 3.00 million head, up 2 percent from 2000. The average live weight was down 3 pounds from the previous year, at 1,226 pounds.

PORK PRODUCTION 1 PERCENT BELOW A YEAR AGO

Commercial pork production during January 2001 totaled 437,000 pounds, compared with 440,000 pounds a year ago. Total hog kill of 2,900 head was unchanged from a year ago. Average live weight per head, at 200 pounds, was 5 pounds lighter than January a year ago.

U.S. PORK PRODUCTION

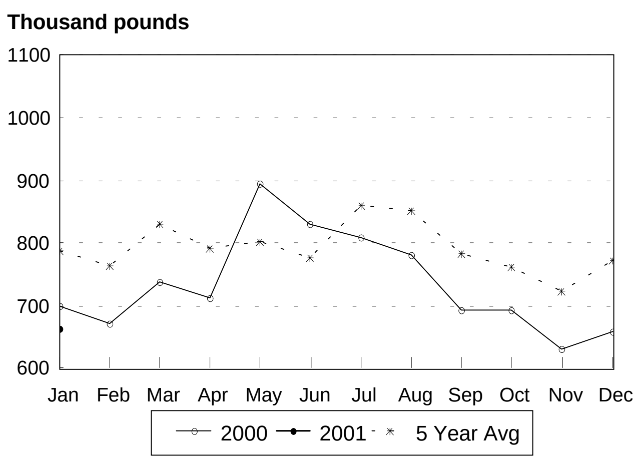
Pork production totaled 1.69 billion pounds, up 8 percent from the previous year and 4 percent above the previous record for January set in 1998. Hog kill totaled 8.64 million head, 6 percent above 2000. The average live weight was 3 pounds above the previous year, at 265 pounds.

Commercial slaughter, State of Hawaii, January 2001 [1]

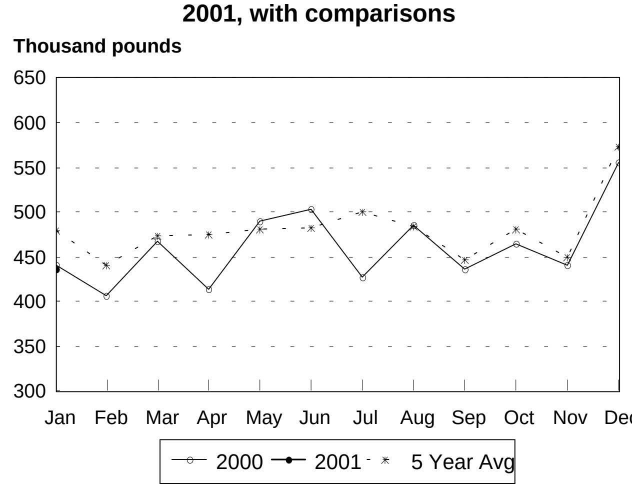
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2000	2001	2000	2001	2000	2001	2000	2001
			- - - - - - pounds - - - - - -		- - - - - - - - - - - - 1,000 pounds - - - - - - - - - - - -			
Cattle								
January	1,400	1,200	905	1,011	1,273	1,207	699	663
Year-to-date	1,400	1,200			1,273	1,207	699	663
Hogs [3]								
January	2,900	2,900	205	200	586	583	440	437
Year-to-date	2,900	2,900			586	583	440	437

[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 2001, with comparisons



Commercial Pork Production, State of Hawaii 2001, with comparisons



PASTURE AND LIVESTOCK CONDITION, FEBRUARY 1, 2001

Hawaii County

Hilo and Puna: A dry January generally benefitted pasture conditions. Although grass growth was slow, forage supplies were good. Even though rainfall in this district was below normal, it was still the wettest location on the island as most rain gage stations in the area recorded rainfall totals around 3 inches, enough to maintain pasture development. Cattle and calves were in fair to good condition.

Ka'u: After November's inundation very dry conditions became the norm in Ka'u. All locations had low soil moisture levels. Kahuku and South Point pastures were green with some forage. Pastures in Waiohinu, Naalehu and Pahala had dry feed on hand, while higher elevation pastures at Kapapala and Keauhou had fair amounts of forage on hand. New growth was slow due to cool temperatures and dry conditions. Stock water supplies were getting low as some ranchers were beginning to haul water again. Cattle and calves were in fair to good condition. Supplements were again being fed to livestock in dry areas.

Kona: On average, Kona was again the driest district on Hawaii as rainfall totals amounted to roughly ½ inch or less at rain gage stations. The dry weather had soil moisture levels below normal with the prospects for new grass growth poor, with only old feed available. Cattle and calves were in fair to good condition. Supplemental feeding of livestock was necessary because of the dry conditions.

Kohala: Although Kohala received more rainfall than Kona, rainfall totals in Kohala were still light, ranging from 6% to 19% of normal. Some ranchers reported this to be the driest December and January in memory. Pastures in many areas were drying and soil moisture levels were below normal. Higher elevation pastures had old feed, but dry conditions and cool temperatures prevented any new grass growth. Most lower elevation, leeward areas were dry and barren, or with only sparse vegetation. Yellow sugarcane aphid infestations were on the rise along with the spread of some noxious weeds. Pastures ranged from poor to good condition. Cattle and calves were in fair to good condition, with supplemental feeding, especially in the drier areas.

Hamakua: Light rainfall, resulted in low soil moisture levels, and along with cool temperatures, slowed forage progress leaving pastures in fair to poor condition. Forage supplies were light, necessitating ranchers to begin feeding supplements. Low stock water levels resulted in the resumption of hauling water to livestock. The condition of cattle and calves ranged from fair to good.

Honolulu County

A relatively dry January hampered pasture development, as rainfall totals in agricultural area were well below 25% of normal for the month. Even the normally wet windward areas did poorly. The majority of leeward pastures continued very dry and in poor condition. Pastures on the island ranged from fair to poor condition. Cattle and calf were in fair condition.

Kauai County

Although several cold fronts passed through the island, rainfall totals were well below normal, as even the wet Wainiha area recorded their driest January on record with only 1.34 inches, 10% of normal. Many windward pastures were dry with weeds encroaching. Leeward sectors continued mostly dry. Rainfall totals for the month ranged from 9% in Kokee to 38% in Anahola. Pastures were in fair to poor condition. Most cattle and calves were in fair condition.

Maui County

According to the National Weather Service, Maui County experienced the driest conditions in the State for January. All rain gage stations reported rainfall totals below 37% of normal, with Kamalo on Molokai reporting the largest rainfall amount of 1.83 inches for the month. Conditions were so dry that two locations (Kahului Airport and Kula) reported record low rainfall for January. If not for the rainfall which occurred in early January, more rain gage stations would also have recorded record lows for January. In general, pasture conditions ranged from fair to good as dry conditions and cool temperatures hampered grass development. As usual, windward pastures faired better than leeward pastures. With the lack of rainfall ranchers were again hauling or pumping water for 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.*

U.S. AGRICULTURAL OUTLOOK

Weather Conditions Affect Meat Supplies and Prices

Dismal weather conditions since late November have resulted in reduced cattle slaughter and dressed weights raising prices and pushing up potential production later this year. Beef demand remains strong and consequently, competition for the reduced supply of beef, particularly higher quality beef, has resulted in challenges to the record prices set in 1990 through 1993.

Demand Factors Strong, But More Tentative

Although the economy is slowing from the robust levels of the past couple of years, GDP is expected to rise about 2 percent in 2001. At present a greater concern is consumer reaction to the high fuel bills hitting consumers in almost all areas of the country and the impact on consumer spending, particularly the away-from-home expenditures. These expenditures are increasingly important for the red meat and poultry sector. The tighter supplies of beef are more than compensating for any softening of expenditures as witnessed by the sharply rising retail prices in January-February. Rising beef supplies as feedlot conditions improve will occur at a time when beef demand is rising seasonally and much of the impact of higher energy costs will be behind us.

Feed prices Remain Low, Hay Prices Rise

Feed supplies remain large in 2000/01, with ending stock rising above the levels of the past 2 years. However, spring planting season and crop developments this summer still hold the key to grain prices. The projected farm price for corn is expected to remain about unchanged from the $1.82 per bushel average in 1999/2000. Continued moderately tightening soybean meal ending stocks are expected to result in prices averaging $170 to $185 per ton this year, up from $167.70 in 1999/2000.

While feed supplies remain large and favorably priced for livestock producers, drought in 2000 and inclement weather have increased supplemental feeding this winter. Drought conditions in the Southeast, Great Plains, and much of the west have resulted in increased feed use this winter. Hay stocks on December 1 were down in 23 of the 48 contiguous States, with total stocks down 5 percent. Hay stocks were down sharply in Colorado, Wyoming, and Mississippi, although stocks were up in the States along the Ohio Valley and eastward as production rebounded from the 1999 drought. Worsening the tight stock situation has been cold, wet, winter weather since late November, along with reduced pasture and range conditions that forced additional supplemental feeding. Poor pasture conditions, particularly small grain pastures, together with the severe winter has forced many cattle off over-wintering grazing programs into feedlots. Hay stocks have fallen in 1999 and 2000 with the December 1, 2000, stock level the second lowest since the beef herd liquidation began in 1996.

The farm price of all hays in January averaged $84.90 a ton, up from $72.90 a year earlier. Prices for alfalfa hay were up $15.30 a ton to $91.30 as hay quality was also a problem in some of the areas with good production. Grass hay prices averaged $69.50 a ton up from $66.10 in January 2000. Rebuilding hay stocks and improving grazing conditions will be important to encouraging increased heifer retention and herd expansion over the next couple of years.

Herd Reduction Continues

The January **Cattle** report indicated the fifth year of cattle inventory decline (1 percent). The inventory is down 6 percent from the 1996 peak. The inventory decline will likely continue for at least the next couple of years. Total cow numbers were down slightly as beef cows declined less than 1 percent, while dairy cows rose less than 1 percent. The prospects for expansion in the report were mixed. Commercial heifer slaughter continued at a near record level in 2000, while the number of heifers on feed on January 1, 2001, in the 7-monthly reporting States were up 4 and 15 percent from the large numbers recorded in 2000 and 1999, respectively. Although the survey showed the number of beef cow replacement heifers were up nearly 2 percent, we know that the proportion calving and entering the herd, as indicated in the half-year balance sheets, is likely to be much lower.

A new cattle statistic in the report provides the number of these heifers actually expected to calve and enter the herd in 2001. The report indicated that 3,142,000 beef heifers are expected to calve this year. Last year 3,178,000 beef heifers calved and entered the herd, 2,112,000 in the first half and 1,066,000 in the second half of the year. Another year of declining beef cow inventory and calf crop seems likely. The final 2000 calf crop was pulled down from the mid-year estimate and modestly from 1999.

Feeder Cattle Supply Decline Continues

Large feeder cattle placements on feed and another year of declines in the calf crop have resulted in supplies of stock/feeder cattle outside feedlots and available for grazing and future feedlot placements declining over 3 percent on January 1. Calf slaughter has been down sharply over the past couple of years, 12 percent in 2000, as more of these calves are bid into stocker and feedlot programs. While calf slaughter is likely to decline again this year, the decline will moderate. Recent severe winter weather and rapidly declining winter grazing prospects have forced more of these cattle into feedlots.

Large On Feed Inventories Continue

Cattle on feed inventories on February 1 were up 3 percent from a year earlier as the poor feeding conditions slowed the marketing pace in January. The combination of strong fed cattle prices and poor grazing prospects, resulted in a 1-percent gain in net feedlot placements. Feedlot performance has suffered since late November as cold, wet conditions has resulted in lower marketing weights. Poorer performance has resulted in a very tight supply of market-ready cattle, particularly for higher grading cattle, and is delaying marketings as cattle gains have been poor. Prices bid on the tight supply of available cattle remained in the upper-$70's in late February.

Rapidly rising prices for lighter stocker calves as cattlemen put together their spring and summer grazing needs and tight supplies will hold down feedlot placements as weather conditions moderate seasonally. However, until conditions improve, stocker cattle on over-winter grazing programs will continue to move into feedlots, particularly given the continued favorable cost of gain and strong fed cattle prices. The combination of earlier placements and a slower winter marketing pace will push more beef into the spring and summer quarters.

Sheep and Lamb Inventory Continues To Decline

The all sheep and lamb inventory fell 2 percent in 2001, continuing a long downturn. Since 1975, the inventory has declined more than 50 percent. On January 1 2001, the all sheep and lamb inventory totaled 6.92 million head, down 2 percent from 2000 and 4 percent from 2 years ago. Texas, the largest sheep producing State, saw an 8-percent drop, while Wyoming, the second largest sheep producing State, saw a 7-percent drop in all sheep and lamb inventory. However, several of the medium-to-small-level producing States registered increases. Oregon (17 percent), Nebraska, and Indiana (12 percent each) registered the largest increases.

The breeding sheep inventory was down 5 percent. Drought conditions in the Western States likely contributed to the greater than normal decline in breeding stock. The sheep breeding flock fell 16 percent in Texas and 9 percent in Wyoming. Increases were noted in Indiana (18 percent) and Nebraska (7 percent).

Production Down and Prices Expected To Rise

Commercial production of lamb and mutton has mirrored the long-term decline in inventory. In 2001, commercial production of lamb and mutton is expected to total about 217 million pounds, down 5 percent from 1999. Reflecting the lower production, farm prices of lamb are expected to average low $80's per cwt in 2001, up about a dollar from 2000. Based on seasonal price patterns, market lamb prices are expected to peak during the Easter/Passover season and average $81 to $85 in the second quarter. Slaughter lamb prices at San Angelo are expected to mirror farm prices and average $1 to $2 above last year's $79 per cwt average, the highest since 1997.

As lamb and mutton production has trended downward in the U.S., imports have trended upwards, keeping per capita consumption stable. Mutton and lamb enjoy a niche market, with regular consumption concentrated in ethnic groups of Middle Eastern, African, Latin American and Caribbean decent. Nearly all of the imports are from Australia (59 percent) and New Zealand (39 percent). In 2001, lamb and mutton imports are expected to be about 5 percent higher than in 2000. Further reduction in the U.S. tariff-rate quota (TRQ) restrictions will likely help boost imports in 2001. The TRQ restrictions enter their third and final year in July. The TRQ amounts were established at 9 percent *ad valorem* in the first year and reduced to 3 percent for each subsequent year. Rates of duty for imports above the TRQ levels were set at 40 percent *ad valorem* in the first year. In the second and third years, the quota levels will rise to about 72.1 million pounds (32,708 metric tons) and about 74 million pounds (33,565 metric tons), respectively, and the additional tariffs will be 32 percent and 24 percent.

In October 1999, New Zealand and Australia filed complaints to the World Trade Organization (WTO) regarding the safeguard measures imposed by the United States. In December 2000, the WTO panel, formed to hear the dispute, ruled in favor of New Zealand and Australia, and recommended that the United States bring its safeguard measures on the imports of lamb meat into conformity with its obligations under the WTO agreement on safeguards and the General Agreement on Tariffs and Trade (GATT) of 1994. The United States has since appealed the ruling and the results of the appeal are pending.

Source: ***Livestock, Dairy and Poultry Situation and Outlook, February 28, 2001, Economic Research Service, United States Department of Agriculture.***

JANUARY MILK LOWER

Hawaii's dairy cows produced **8.9** million pounds of milk during January, 1 percent more than December but 3 percent less than January last year. The cow inventory, both dry and in milk, totaled 7,800 head, up 300 from December but down 600 from January 2000. Cows averaged 1,140 pounds of milk during the month, 3 percent below December but 4 percent above January.

U.S. PRODUCTION DOWN 1.5 PERCENT

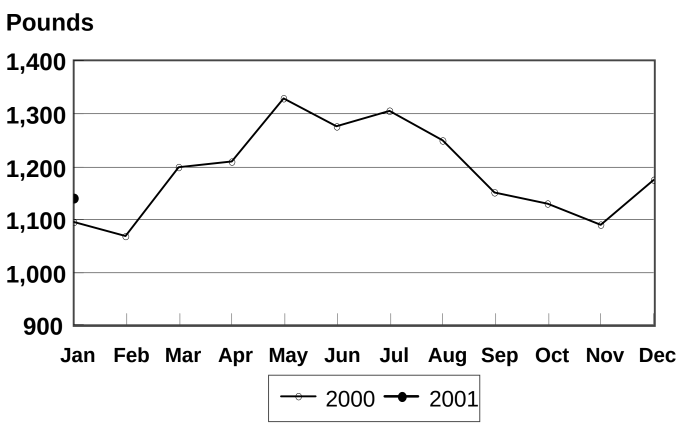
Milk production in the 20 major States during January totaled 12.1 billion pounds, down 1.5 percent from production in these same States in January 2000. December revised production, at 11.9 billion pounds was down 0.7 percent from December 1999. The December revision represented a decrease of 0.6 percent or 77 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,550 pounds for January, 29 pounds below January 2000. The number of cows on farms in the 20 major States was 7.79 million head, 27,000 head more than January 2000 but 12,000 head less than December 2000.

Milk cows and milk production, State of Hawaii, January 2001

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Jan. 2000	Dec. 2000	Jan. 2001	Jan. 2000	Jan. 2001	Jan. 2000	Jan. 2001	Year-to-date 2000	Year-to-date 2001
	Number			Pounds		1,000 pounds			
Hawaii/Kauai	2,950	2,710	3,060	1,045	925	3,090	2,835	3,090	2,835
Honolulu	5,400	4,800	4,700	1,135	1,300	6,130	6,110	6,130	6,110
State	8,400	7,500	7,800	1,095	1,140	9,200	8,900	9,200	8,900

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2000 are final but preliminary for 2001.

Milk Production Per Cow, State of Hawaii, 2000-2001



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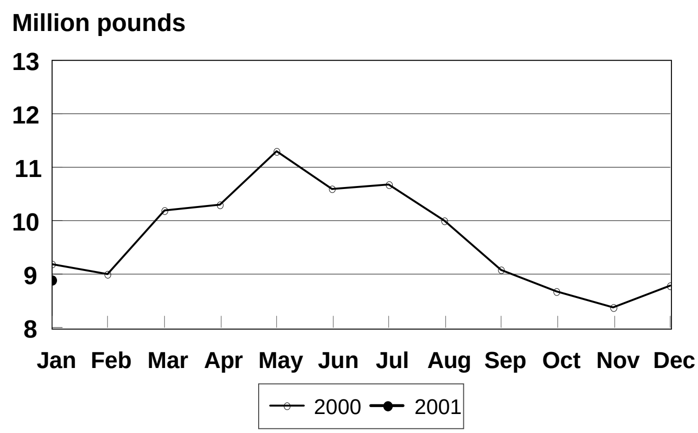
Total Milk Production, State of Hawaii, 2000-2001



HASS

Average farm prices, State of Hawaii, January 2001

Commodity		January 2000	December 2000	January 2001
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	81.0	79.0	79.0
	- (live weight equivalent)	(44.5)	(43.4)	(43.4)
Cows [1]	*- dressed weight*	48.0	51.0	52.0
	- (live weight equivalent)	(26.4)	(28.0)	(28.5)
Market hogs [1 2]	*- dressed weight*	109.0	110.5	111.0
	- (live weight equivalent)	(81.8)	(82.9)	(83.3)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk		23.75	25.00	25.84
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [3]		86.5	83.0	83.0

[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] 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.