HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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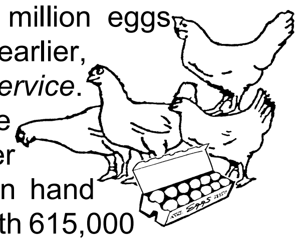
JANUARY EGG PRODUCTION 15 PERCENT BELOW A YEAR AGO



Egg production during January, totaled **10.0** million eggs (27,778 cases) 15 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. Fewer layers on hand along with a decline in the average rate of lay accounted for the lower production. The average number of layers on hand during January 2002 was 547,000, compared with 615,000 a year ago and 552,000 during December 2001. The average rate of lay was 1,828 eggs per 100 layers (59.0 percent lay rate) compared with 1,902 (61.4 percent) a year ago.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.25 billion during January 2002, up 2 percent from last year. Production included 6.16 billion table eggs and 1.09 billion hatching eggs, of which 1.03 billion were broiler-type and 63.0 million were egg-type. The total number of layers during January 2002 averaged 338 million, up 1 percent from the total average number of layers during January 2001. January egg production per 100 layers was 2,143 eggs, up one percent from the 2,128 eggs in January 2001.

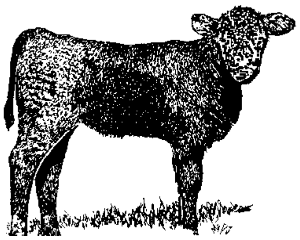
January 2002 contained 23 weekdays, two holidays and four Saturdays, equal to January 2001.

All layers in the U.S. on February 1, 2002 totaled 338 million, up 1 percent from a year ago. The 338 million layers consisted of 278 million layers producing table or commercial type eggs, 57.2 million layers producing broiler-type hatching eggs, and 2.64 million layers producing egg-type hatching eggs. Rate of lay per day on February 1, 2002, averaged 68.4 eggs per 100 layers, down 1 percent from the 69.2 eggs a year ago. Laying flocks in the 30 major egg producing States produced 6.80 billion eggs during January 2002, up 2 percent from a year ago. The average number of layers during January, at 317 million, was up 2 percent from a year earlier.

Number of layers and egg production, State of Hawaii, January 2002 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Jan. 2001	Dec. 2001	Jan. 2002	Jan. 2001	Jan. 2002	Jan. 2001	Jan. 2002	Year-to-date 2001	Year-to-date 2002
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	153	137	130	2,015	2,065	3.1	2.7	3.1	2.7
Honolulu	462	415	417	1,866	1,755	8.6	7.3	8.6	7.3
State	615	552	547	1,902	1,828	11.7	10.0	11.7	10.0

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



JANUARY MARKETINGS OFF 40 PERCENT FROM YEAR AGO

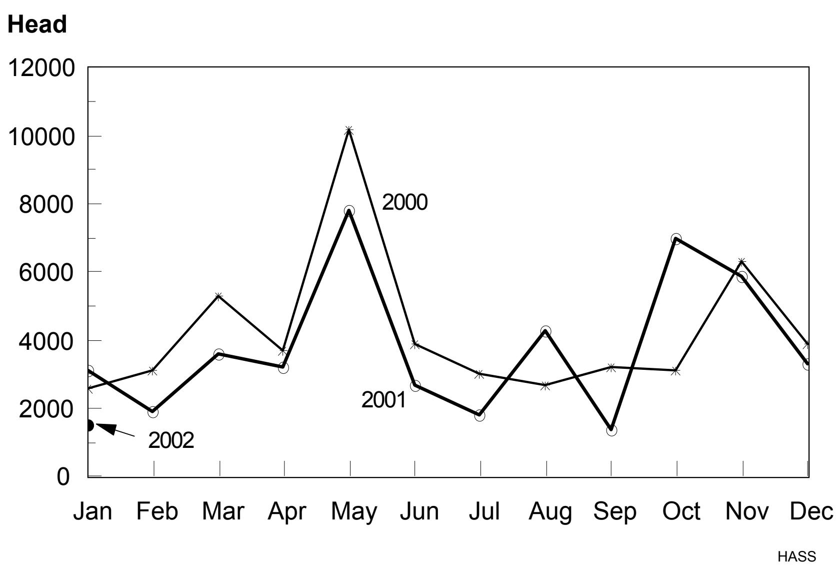
Cattle marketings during January 2002 totaled 2,600 head, compared with 4,300 a year ago and 4,300 during December 2001. Declines in out-shipments and local slaughter accounted for the 40 percent drop in marketings when compared with January 2001. Cattle and calves shipped out-of-State totaled 1,500 head compared with 3,100 a year earlier and 3,300 during December.

Cattle Marketings, State of Hawaii, January 2002

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
	head								pounds	
January	4,300	2,600	1,800	900	1,300	600	3,100	1,500	420	490
Year-to-date [4]	4,300	2,600	1,800	900	1,300	600	3,100	1,500	420	490

[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, 2000-2002



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	
1-26-02	—	—
2-9-02	—	—
	from Sioux Falls	
1-26-02	67.75	66.25
2-9-02	69.75	69.00

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

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COMMERCIAL BEEF PRODUCTION 11 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during January 2002 totaled 592,000 pounds, compared with 663,000 pounds a year earlier. Commercial kill for January 2002 totaled 1,100 head, 100 fewer than a year ago. Average live weight per head, at 1,001 pounds, was 1 percent lighter than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 2.33 billion pounds, was 6 percent above the previous year and a new record high for January. Cattle slaughter totaled 3.06 million head, up 2 percent from January 2001. The average live weight was up 34 pounds from the previous year, at 1,260 pounds.

PORK PRODUCTION OFF 5 PERCENT FROM A YEAR AGO

Commercial pork production during January 2002 totaled 415,000 pounds, compared with 437,000 pounds a year ago. Total hog kill of 2,700 head was 200 less than a year ago. Average live weight per head, at 208 pounds, was 8 pounds heavier than January a year ago.

U.S. PORK PRODUCTION

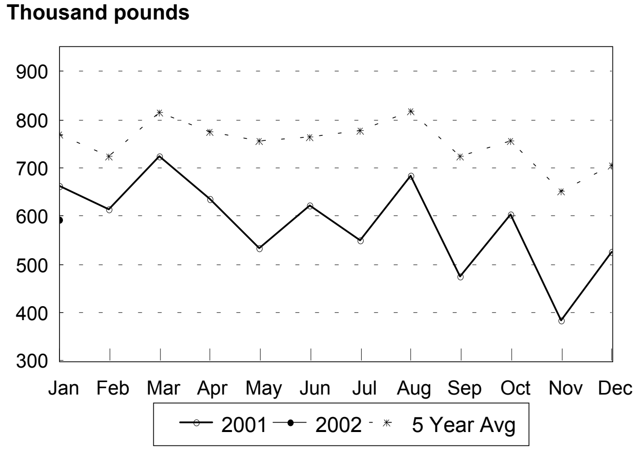
Pork production totaled 1.72 billion pounds, up 1 percent from the previous year and a new record high for January. Hog kill totaled 8.66 million head, virtually unchanged from January 2001. The average live weight was 3 pounds above the previous year, at 268 pounds.

Commercial slaughter, State of Hawaii, January 2002 [1]

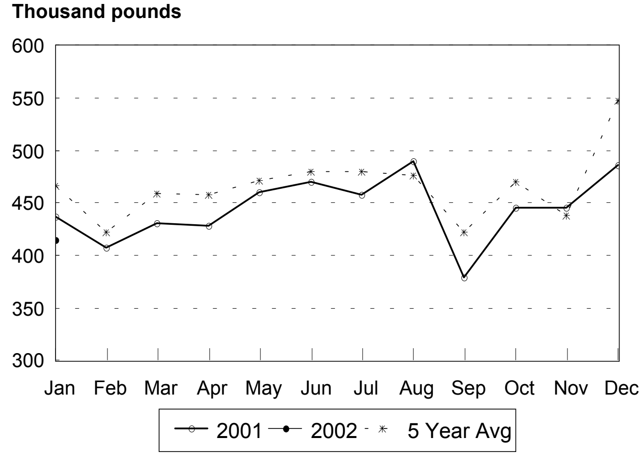
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2001	2002	2001	2002	2001	2002	2001	2002
			------ pounds ------		------------ 1,000 pounds ------------			
Cattle								
January	1,200	1,100	1,011	1,001	1,207	1,078	663	592
Year-to-date	1,200	1,100			1,207	1,078	663	592
Hogs [3]								
January	2,900	2,700	200	208	583	553	437	415
Year-to-date	2,900	2,700			583	553	437	415

[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 2002, with comparisons



Commercial Pork Production, State of Hawaii 2002, with comparisons



PASTURE AND LIVESTOCK CONDITION, FEBRUARY 1, 2002

Hawaii County

Hilo and Puna: Heavy rains during the second half of January left most pastures soggy and the wettest in the State, which slowed the development of new grass growth. Even the upper elevation pastures of Mauna Kea received some much needed precipitation, however, cool temperatures minimized new grass growth. Most pastures were in fair condition with an adequate supply of forage. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: Abundant rainfall, during the second half of January, and especially towards the end of the month as beneficial to pasture development. The rain helped to stimulate new grass growth even in some of the previous dry pasture locations. Improved weather conditions had pastures in fair to good condition. Stock water supplies were replenished. Cattle and calves were in fair to very good condition.

Kona: This was the only district which, as a whole, did not benefit from above normal rainfall totals for the month. Below normal rainfall amounts fell throughout the district, resulting in pastures that were in fair condition. The light showers helped to maintain most pastures and stimulate some light new growth. Cattle and calves were in fair to good condition. Some light supplements were being fed.

Kohala: Except for the Kahua Ranch rain gage, which recorded 50 percent of normal rainfall, all other Kohala rain gage stations reported normal to above normal rainfall totals. When combined with rainfall from December most pastures were in fair to good condition, with an adequate supply of forage on hand and prospects for good new grass growth. Precipitation over the lower leeward elevation pastures helped to stimulate the development of some good new forage growth in these previously dry areas. However, cool temperatures, cloudy skies, and shorter days hampered any quick recovery by slowing new grass growth. The invasion of the Senecio weed was a problem in some areas. Stock water supplies were adequate. Cattle and calves were still in fair to good condition. Supplements were still being fed in some areas.

Hamakua: Frequent rains and partly sunny skies kept most pastures at the lower elevations in fair to good condition. Forage supplies were improving, but cool temperatures slowed full recovery. Forage growth at the higher elevations was slow due to less than optimal growing conditions, shorter days and cooler temperatures. The condition of cattle and calves was fair to good.

Honolulu County

Multiple weather systems brought near normal winter-type weather to the island. Rainfall totals were near normal to above normal for most areas of the island. Even the dry Waianae District received rainfall amounts which totaled more than 3 inches for the month. Most pastures benefitted from the rainfall activities and were in fair to good condition. New grass growth was progressing well in many areas. Cattle and calves were in fair to good condition.

Kauai County

Rainfall during January was above normal for most areas, helping to maintain pastures in fair to good condition. New grass growth was good, but slow in some areas due to the cooler temperatures. Pastures on the west side were showing signs of good recovery as grazing areas were greening-up. Cattle and calves were in good condition.

Maui County

Normal to above normal rainfall fell throughout the county, except for the Kihei gage which recorded rains at about 80 percent of normal. This significant rainfall was very beneficial for pasture development, when combined with rainfall amounts from the previous months. Many pastures were turning green and showing good new forage growth. Even the leeward sectors of Maui and Molokai, showed signs of recovery. On the whole, windward pastures were in good condition, while leeward pastures were fair. Forage growth at the upper elevations was slow due to the cool temperatures. 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.***

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Cattle Inventory Continues to Decline

The ***Cattle*** report indicated that the cattle inventory on January 1, 2002 declined another 1 percent from a year earlier, and nearly 7 percent from the 1996 cyclical peak. This report strongly suggests that inventories will continue to decline for at least the next two years. Beef production in 2002 is expected to decline 2 percent from last year and 4 to 5 percent from the 200 record. This year fed cattle prices are likely to rise through the year and average in the mid-$70s, even as slaughter weights rise to new record levels.

The January 1 cattle inventory showed slightly more heifers will enter the milk cow herd in 2002 than a year earlier. These extra heifers will help alleviate the heifer problems experienced in 2001 but are too few to make a dramatic difference. More heifers in 2001 would have resulted in higher milk per cow as well as higher milk cow numbers.

The United States is expected to export nearly 1.5 billion pounds of pork in 2002, compared with about 1.6 billion in 2001. At the beginning of last year, the U.S. faced very strong demand from Japan for pork products ahead of the imposition of its Safeguard (a pricing mechanism to protect domestic producers from a rapid rise in imports). Sales were also boosted when disease issues appeared throughout the year — foot-and-mouth disease (FMD) in March and Bovine Spongiform Encephalopathy (BSE) in September. If more BSE cases are discovered in Japan, and beef consumption continues to decline as a consequence, a more favorable scenerio for U.S. pork exports would likely result in 2002.

Growth in broiler exports in 2002 is expected to slow from 15 percent in 2001 to 3 percent in 2002 as the world economy slows and the dollar remains strong. Expanding shipments to Russia was the largest factor in the 2001 increase, although part of the increase in direct shipments to Russia are due to falling transshipments through Latvia and Estonia.

No End to Herd Liquidation in Sight

Cattle and calves on farms and ranches on January 1, 2002, were down another 1 percent from a year earlier, and down nearly 7 percent from the 1996 cyclical peak. This decline marks the 12th year of this cattle cycle, that began in 1991. The previous cyclical low was 95.8 million head in 1990. This report strongly suggests that inventories will continue to decline for at least the next 2 years. Sufficient replacement heifers are not expected to calve this year to even begin to offset the larger cow slaughter in 2001. The next real chance of expansion will have to come from heifers retained from this year's calf crop, bred in 2003 and calving in 2004. The cow-calf sector has had positive returns above cash costs since 1999. However, extended drought during much of this period, and the most severe winter in 2000/01 since 1992/93 resulted in increased beef cow slaughter and another year of relatively large numbers of heifers placed on feed prior to breeding season.

Inventory Decline Continues

On January 1, 2002 both beef and dairy cow inventories were down another 1 percent from a year earlier. While dairy cow slaughter in 2001 was down nearly 2 percent from 2000, beef cow slaughter rose nearly 11 percent. Beef cow slaughter in early 2002 continued large. Although hay stocks on December 1, 2001 were 5 percent above a year earlier, the January farm price of hay was nearly $8 a ton above a year earlier and the price of alfalfa hay was up $10. The cattle sector remains concerned with adequate forage supplies and moisture developments as this year's grazing season begins will be paramount to developments in the second half of the year.

Replacement beef heifers being retained for possible addition to the breeding herd this year were about unchanged from the relatively low levels of the last 4 to 5 years. The number of beef heifers expected to calve this year, the second year of this new statistic, while up 3 percent is only 115,000 above the low level a year earlier. The number of heifers calving and entering the beef and dairy cow herd in second-half 2001 continued to decline the lowest since 1988. Beef heifers calving and entering the cow herd were also lower. To begin to even offset continued large beef cow slaughter, larger numbers of heifers from this year's calf crop will have to be retained, which will reduce feeding cattle supplies and consequently heifer slaughter this fall.

Reduced Placement Support Feeder Cattle Supplies

Feeder cattle supplies outside feedlots on January 1 were above year-earlier levels when severe weather forced more cattle into feedlots early, but were still down 3 percent from 2000 and 8 percent from 1999. Cattle on feed placements declined 6 percent in 2001, with placement up only in the second quarter, by 3.5 percent. Large numbers of heavier heifers were likely placed on feed last spring. Heifers on feed were up 7 percent in the July 1, 2001 Cattle on Feed report, many were likely intended for the breeding herd. Although heifer slaughter declined 4 percent from the near record 2000 level, it was the fifth largest on record. The past

5 years of heifer slaughter is also the largest on record. Beef production in the last few years has been supported by very large heifer slaughter. Improved moisture and forage-grazing prospects would supply the base for increased heifer retention and reduced beef production in fourth quarter 2002. Dairy calves have contributed to placements as feeder cattle prices have risen over the past several years, but calf slaughter has already declined sharply and only marginal additional declines are likely. The revised 2001 calf crop declined 1 percent, and further declines are expected at least in 2002 and 2003.

Fed Beef Supplies to Remain Large Until Mid Year

Although cattle on feed inventories on January 1 were down 2 percent from a year earlier, large inventories of record-heavy cattle will support large beef supplies through early summer. Although steer and heifer slaughter weights normally peak in October, weights peaked in November this year and remained unseasonably heavy in January and February. Although commercial dressed slaughter weights declined 1 pound from 2000, weights vacillated widely during the year. Quarterly weights were down 12 pounds from a year earlier in the first quarter, and down 8 pounds in the spring, both due to the severe winter weather. Weights began to rebound in mid summer, averaging 1 pound above a year earlier, before rising 16 pounds higher in the fourth quarter. Weights this winter and spring will certainly remain on a seasonal record pace. Weights in the second half of the year will likely remain near the 757 pound record of fourth quarter 2001, particularly if second-half of cow slaughter declines.

Beef production in 2002 is expected to decline 2 percent from last year and 4 to 5 percent from the 2000 record. First-quarter production is expected to be up 4 percent, due to increased fed cattle marketings, but more importantly sharply higher slaughter weights than a year earlier. Second quarter production is likely to be down slightly from a year earlier, with third quarter beginning the transition to cyclically lower production, down 3 to 4 percent. If forage supplies improve and heifer retention begins this spring and summer, together with declining calf crops, fourth-quarter beef production is likely to decline 8 percent. This quarter begins a transition to increased heifer retention, reduced cow slaughter, and lower beef production that is expected to continue through 2004. Cow slaughter rose 4.5 percent in 2001 as a severe winter and drought forced hard culling of the herd. Slaughter is likely to drop sharply as forage supplies improve this spring and if they can be sustained in second half 2002.

Prices Unlikely to Exceed Early 2001 Levels

Fed cattle prices averaged $72.43 per cwt in 2001, with prices declining through the year as the effects of the severe winter weather eased and feedlot performance improved. An economic slowdown and the market extremes from the September terrorist attack further pressured prices, particularly in the fourth quarter along with rapidly rising slaughter weights.

In 2002 fed cattle prices are likely to rise through the year, even as slaughter weights rise to new record levels. Expected price strength into the upper-$70's in the second half of the year will depend on a return to more normal forage conditions and increased heifer retention. Record weights have not been a particular problem as cattle have not been over finished and the market continued to demand a larger quantity of higher quality beef. In addition the increased weights allows increased marketing of individual muscle systems to fulfill broader market needs.

Corn prices are expected to rise modestly this year, and together with large feedlot losses for much of last year, will hold down price gains on heavier yearling feeder cattle prices this year. Prices averaged $88.20 last year, but likely will be held down to the mid $80's this year. Lighter weight stocker-feeder cattle prices are likely to rise sharply and as supplies tighten, if grazing conditions improve, competition for numbers from both stocker operations and feedlots will be fierce.

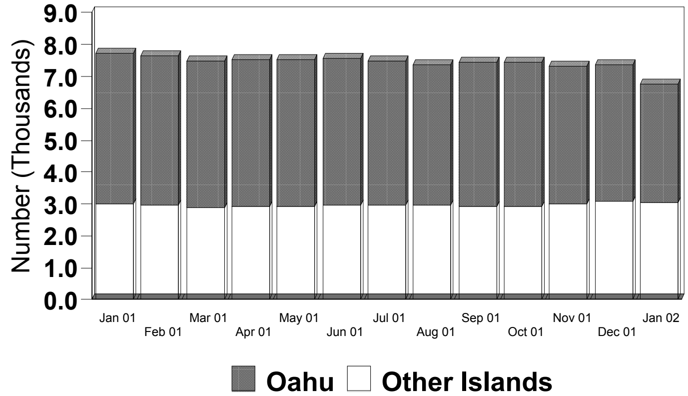
Utility cow prices will continue to rise cyclically, with prices likely averaging near $50 this spring and early summer as cow slaughter drops off. Unusually good fall and over-wintering prospects could result in continuing lower cow slaughter and price support in late summer through fall and strong prices for replacement cows.

Source: ***Livestock, Dairy and Poultry Situation and Outlook, February 13, 2002, Economic Research Service, United States Department of Agriculture.***

JANUARY MILK LOWER

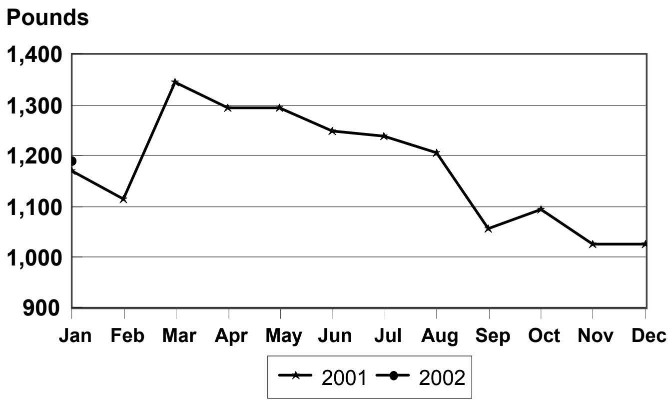
Hawaii's dairy cows produced **8.1** million pounds of milk in January compared to 9.0 million pounds in January 2001 and 7.6 million pounds in December 2001. The cow inventory, both dry and in milk, numbered 6,800 head, 900 fewer than January 2001 and 600 lower than December 2001. The decline was due to operations that went out of business. January average output per cow was 1,190 pounds, up 20 pounds from January and 165 more than December.

Milk Cows
State of Hawaii, 2001-2002



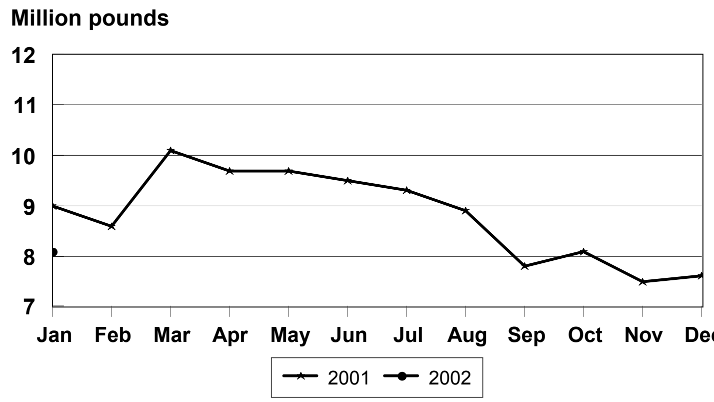
HASS

Milk Production Per Cow,
State of Hawaii, 2001-2002



HASS

Total Milk Production,
State of Hawaii, 2001-2002



HASS

Milk cows and milk production, State of Hawaii, January 2002

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Jan. 2001	Dec. 2001	Jan. 2002	Jan. 2001	Jan. 2002	Jan. 2001	Jan. 2002	Year-to-date 2001	Year-to-date 2002
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,020	3,070	3,060	940	935	2,840	2,865	2,840	2,865
Honolulu	4,700	4,300	3,700	1,300	1,410	6,110	5,210	6,110	5,210
State	7,700	7,400	6,800	1,170	1,190	9,000	8,100	9,000	8,100

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2001 are final but preliminary for 2002.

U.S. PRODUCTION UP 1.8 PERCENT

Milk production in the 20 major States during January totaled 12.3 billion pounds, up 1.8 percent from January 2001. December revised production, at 12.0 billion pounds was up 1.2 percent from December 2000. The December revision represented an increase of 0.3 percent or 34 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,585 pounds for January, 36 pounds above January 2001. The number of cows on farms in the 20 major States was 7.74 million head, 44,000 head less than January 2001 and 10,000 head less than December 2001.

Average farm prices, State of Hawaii, January 2002

Commodity		January 2001	December 2001	January 2002
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	79.0	78.0	80.0
	- (live weight equivalent)	(43.4)	(42.8)	(43.9)
Cows [1]	*- dressed weight*	52.0	52.0	55.0
	- (live weight equivalent)	(28.5)	(28.5)	(30.2)
Market hogs [1 2]	*- dressed weight*	111.0	113.0	113.0
	- (live weight equivalent)	(83.3)	(84.8)	(84.8)
		dollars per 100 pounds		
Milk [3]		25.80	24.10	24.00
		cents per dozen		
Eggs [4]		83.0	86.0	87.0

[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.