HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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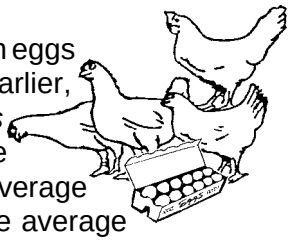
FEBRUARY EGG PRODUCTION SAME AS A YEAR AGO



Egg production during February, totaled **9.0** million eggs (25,000 cases), unchanged from a year earlier, according to the *Hawaii Agricultural Statistics Service*. A 6 percent increase in the average rate of lay was offset by a 5 percent decline in the average number of layers on hand from a year ago. The average number of layers on hand during February 2003 was 509,000, compared with 538,000 a year ago, and 526,000 during January. The average rate of lay was 1,768 eggs per 100 layers (63.1 percent lay rate) compared with 1,673 (59.8 percent) a year ago. Cumulative egg production for the first two months of 2003 was 1 percent above the same 2-month period in 2002.

U.S. EGG PRODUCTION

U.S. egg production totaled 6.62 billion during February 2003, up 1 percent from last year. Production included 5.63 billion table eggs and 985 million hatching eggs, of which 927 million were broiler-type and 58.0 million were egg-type. The total number of layers during February 2003 averaged 338 million, up slightly from a year earlier. February egg production per 100 layers was 1,957 eggs, up 1 percent from February 2002.

February 2003 contained 20 weekdays, one holiday and four Saturdays, the same as February 2002.

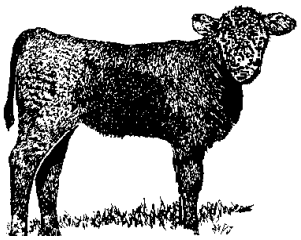
All layers in the U.S. on March 1, 2003, totaled 338 million, up slightly from a year ago. The 338 million layers consisted of 278 million layers producing table type eggs, 57.4 million layers producing broiler-type hatching eggs, and 2.62 million layers producing egg-type hatching eggs. Rate of lay per day on March 1, 2003, averaged 69.6 eggs per 100 layers, down 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.18 billion eggs during February 2003, up slightly from a year ago. The average number of layers during February, at 316 million, was down slightly from a year ago.

Number of layers and egg production, State of Hawaii, February 2003 [1]

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Feb. 2002	Jan. 2003	Feb. 2003	Feb. 2002	Feb. 2003	Feb. 2002	Feb. 2003	Year-to-date 2002	Year-to-date 2003
	------ Thousands ------			--- Number ---		---------- Millions ----------			
Hawaii/Kauai/Maui	125	119	116	1,845	1,971	2.3	2.2	5.0	4.9
Honolulu	413	407	392	1,621	1,728	6.7	6.8	14.0	14.3
State	538	526	509	1,673	1,768	9.0	9.0	19.0	19.2

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



FEBRUARY MARKETINGS DOWN 5 PERCENT FROM A YEAR AGO

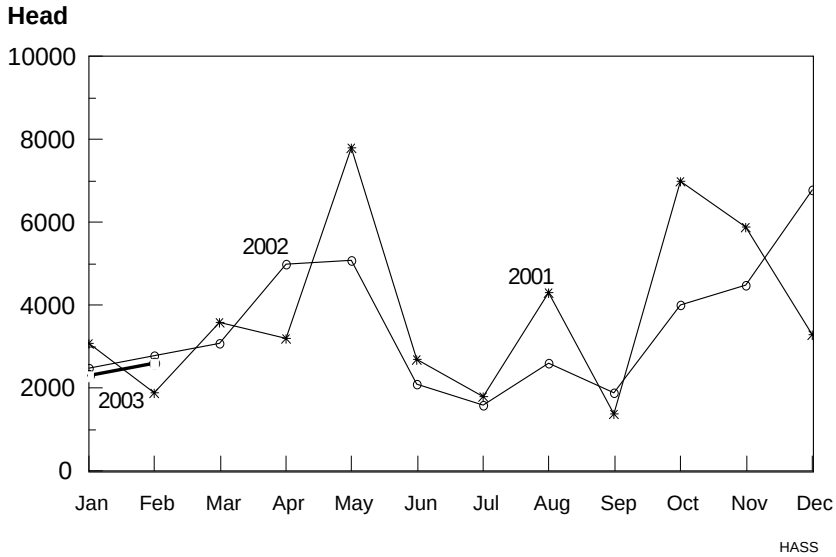
Cattle marketings during February totaled 3,500 head, compared with 3,700 head a year ago and 3,200 head during January 2003. A decline in out-of-state shipments accounted for the 5 percent drop in marketings when compared with a year earlier. Year-to-date marketings of 6,700 head were 8 percent below the same 2-month period in 2002. The number of cattle and calves shipped out-of-State during February totaled 2,600 head compared with 2,800 a year earlier and 2,300 during January. Cumulative out-of-state shipments during 2003 totaled 4,900 head, 8 percent less than the same period in 2002

Cattle Marketings, State of Hawaii, February 2003

Month	Total Marketings [1]		Exports [2]							
	Number of Head [3]		Number of Head						Average Live Weight	
			Steers		Heifers		Total [3]			
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	head								- - pounds - -	
February	3,700	3,500	1,500	1,400	1,300	1,200	2,800	2,600	480	460
Year-to-date [4]	7,300	6,700	2,900	2,600	2,400	2,300	5,300	4,900	450	460

[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, 2001-2003



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		
1-25-03	—	—
2-8-03	—	—
from Sioux Falls		
1-25-03	76.00	76.50
2-8-03	78.50	78.25

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

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Naomi Landgraf	Maui
June Okamura	Kauai, Honolulu
Wendell Au	Honolulu

COMMERCIAL BEEF PRODUCTION 9 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during February 2003 totaled 530,000 pounds, compared with 488,000 pounds a year earlier. Commercial kill for February 2003 totaled 900 head, unchanged from a year ago. Average live weight per head, at 1,026 pounds, was 1 percent heavier than a year ago.

U.S. BEEF PRODUCTION

Beef production, at 1.94 billion pounds, was 2 percent below the previous year. Cattle slaughter totaled 2.57 million head, down 2 percent from February 2002. The average live weight was 1,261 pounds, up 6 pounds from February a year ago.

PORK PRODUCTION OFF 11 PERCENT FROM A YEAR AGO

Commercial pork production during February 2003 totaled 347,000 pounds, compared with 391,000 pounds a year ago. Total hog kill of 2,200 head was 300 less than a year ago. Average live weight per head, at 211 pounds, was 1 percent above February a year ago.

U.S. PORK PRODUCTION

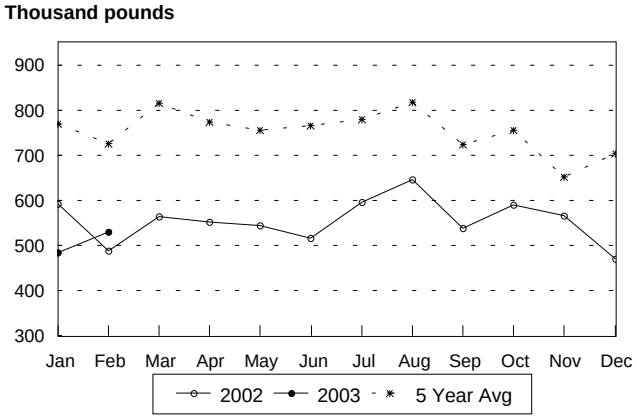
Pork production totaled 1.52 billion pounds, up 3 percent from the previous year. Hog kill totaled 7.68 million head, 2 percent above February 2002. The average live weight was 267 pounds, unchanged from February a year ago.

Commercial slaughter, State of Hawaii, February 2003 [1]

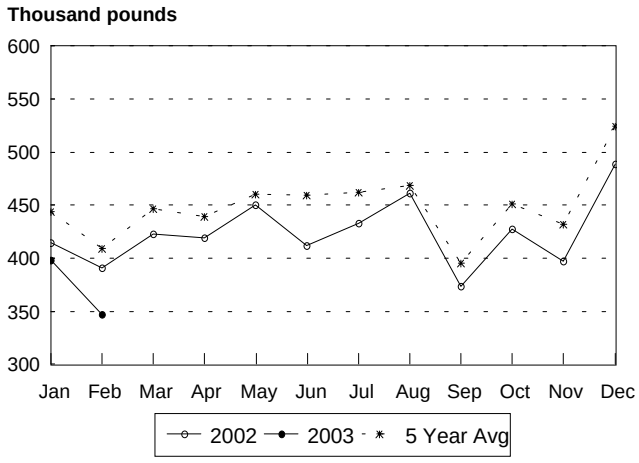
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2002	2003	2002	2003	2002	2003	2002	2003
			------ pounds ------		---------- 1,000 pounds ----------			
Cattle								
February	900	900	1,014	1,026	889	966	488	530
Year-to-date	2,000	1,800			1,967	1,848	1,080	1,015
Hogs [3]								
February	2,500	2,200	208	211	521	462	391	347
Year-to-date	5,200	4,800			1,074	993	806	745

[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 2003, with comparisons



Commercial Pork Production, State of Hawaii 2003, with comparisons



PASTURE AND LIVESTOCK CONDITION, MARCH 1, 2003

Hawaii County

Hilo and Puna: Although rainfall during February was below normal levels, when compared with previous months, the increase in precipitation (especially during the second half of the month) helped to improve pasture conditions and soil moisture levels. Most pastures were in fair to good condition. Stock water levels were still low necessitating water hauling to the drier areas. Cattle and calves were in fair to good condition. Some minimal supplementation was taking place.

Ka'u: Very light showers kept most pastures in the district in fair to poor condition. Forage supplies, as a result, were old and dry. Only a few locations had any green growth and soil moisture even in those areas was low. This dry condition has also continued to encourage the spread of undesirable weeds. Two brush fires, a result of lightning strikes, burned almost 4,000 acres of pasture in the Pahala and Kapapala areas. Water hauling and supplemental feeding were necessary to maintain the livestock. Most of the cattle and calves were in fair condition.

Kona: Showers were very light and intermittent, resulting in this district being the driest on the island. The Kona rain gages recorded rainfall in the low 20 percentile range for the month, which translates into less than an inch of rainfall. The continued dry conditions kept pastures dry with only old feed available, with the lower coastal areas having only minimal forage available. Pastures, as a result, were in fair to poor condition. Both soil moisture levels and stock water levels were low. Cattle and calves were in fair condition with the feeding of supplements.

Kohala: Heavy rains from mid-month toward the end-of-month provide good moisture to improve most pastures to good condition. Although grass growth and recovery has been slow, most pastures have recovered from its dry conditions. However, lower elevation leeward coastal pastures around Kawaihae and Mahukona were still dry and provided very little old feed. Cooler temperatures have also slowed any new grass growth at the upper elevations. The Senecio weed continues to spread in the Waikii and Waimea pastures. Stock water supplies were improved. Cattle and calves were in fair to good condition.

Hamakua: Heavy rains made this district the wettest on the island. Although much of it fell during mid-month, there were sufficient follow-up showers during the second half of the month to keep most lower to mid-elevation pastures in good condition. Pastures located at the higher elevations, however, did not receive the necessary follow-up showers to maintain soil moisture and to sustain the new grass growth. Most stock water supply levels were back to normal, although some at the higher elevations were beginning to recede again. Cattle and calves were in fair but improved condition, with supplemental feeding becoming lighter.

Honolulu County

Rainfall during February varied widely. Heavy rains from a storm system around mid-month inundated most windward and interior slopes of the Koolau Mountain. As a result, rainfall totals along the central windward areas were above normal for the month. Windward pastures benefitted from this moisture and were in good condition. Leeward pastures, on the other hand, continued mostly dry as rainfall totals ranged from 24 percent of normal in Waianae to 70 percent at the Waiawa rain gage. This kept many of the leeward pastures in fair condition at best. Cattle and calves were in fair to good condition.

Kauai County

Heavy rainfall during mid-February contributed to nearly all rain gage stations on the island recording rainfall totals near or above normal. The exception would be in leeward areas, with the Hanapepe rain gage recording the lowest at 48 percent for the month. Although many pastures benefitted from this rainfall, cool temperatures along with wet, cloudy conditions along the northern portion of the island slowed new grass growth. Leeward pastures continued mostly dry with only old feed on hand. Cattle and calves were in fair to good condition, but some death losses were reported in North Kauai due to the cold wet conditions.

Maui County

Windward location rain gages recorded normal to well above normal rainfall totals for the month, with West Maui areas receiving the most precipitation. Most windward pastures were in fair to good condition, but new grass growth had slowed in many of these areas due to the cool, wet, and cloudy conditions. Although no where near normal levels, several leeward grazing areas received some much needed rainfall from the south to help improve its pasture condition. Grass growth along the upper elevation continued to be slowed due to cooler 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.***

U.S. AGRICULTURAL OUTLOOK

Milk Production Surge Continues

Milk cow numbers in the 20 major States edged higher during most months of 2002, going from slightly below a year earlier in early 2002 to almost 1 percent above by yearend. For all States, milk cow numbers were not quite as strong, growing during the first half and then staying about flat during the rest of the year. Sizable numbers of new or greatly expanded facilities came into production, and earlier expansions were brought up to capacity. The lack of replacement heifers made increases in cow numbers more gradual than normal. In addition, relatively few farms quit dairying. Most of the weaker dairy operations have fairly low debt, giving them considerable flexibility as to when they leave. The relatively strong returns of recent years and the direct payments from Milk Income Loss Contracts (MILC) gave them extra resiliency to very low milk prices.

Last autumn's sharp drop in prices of replacements indicated that heifer supplies are no longer a substantial restraint on milk cow numbers. It also meant that upward pressure on cow numbers may have started to ease, as the surge in expansions probably has crested. However, dairy farm exits have yet to pick up much, although some acceleration is expected as the year progresses. Fewer expansions and more exits would start milk cow numbers declining in coming months. However, declines probably will be gradual and are not likely to be dramatic by even yearend. For the year, the decrease in average milk cows is projected to be less than 1 percent.

The 2002 forage situation was highly mixed. Alfalfa hay production was down slightly and stocks of all hay (and probably alfalfa) were substantially lower on December 1, 2002. Alfalfa quality in most areas varied greatly from cutting to cutting. Silage quality and yields also were erratic because of dry weather. However, the situation for dairy farmers probably is not as bad as it might appear. The West likely has the best alfalfa situation in several years, the result of larger output and weaker export demand. Also, the greatest pressure on forage supplies has been from beef producers looking for grass or low quality alfalfa hay. Since autumn, alfalfa hay prices have run below a year earlier.

Forage developments may be critical in 2003. In some years with similar conditions, dairy farmers simply ran out of adequate forage in late spring, and milk per cow was harmed significantly. Whether such a situation emerges will hinge on the largely unknown amounts and quality of forage stocks on dairy farms and on forage crop development early in the season. Dairy farmers will be vulnerable throughout the season to any shortfalls in 2003 production of dairy quality forage.

Smaller crops of feed grains and soybeans boosted concentrate prices during 2002. The price impacts were somewhat muted by the effects of large stocks at the end of the previous crop year. Even so, higher feed prices and much lower milk prices dropped milk-feed price ratios sharply from 2001's very high levels to levels normally associated with below-trend increases in concentrate feeding and milk per cow.

The expected low milk prices probably will leave milk-feed price ratios quite low again in 2003, even if crops are normal. Concentrate feed prices are projected to be above a year earlier (and milk prices below) through at least summer. Additionally, feed prices will be more vulnerable to weather problems this year because of the reduced carryin stocks.

Milk per cow rose 2.3 percent in 2002, much less impressive than it seems following stagnation in 2001. Milk per cow made only slight recovery against the long-run trend. Compared with the 5-year average, 2002 milk per cow grew at an annual rate of only 1.7 percent, much below the trend of 2 percent or a bit more. Low milk-feed price ratios and erratic forage quality share much of the blame. Disputed culling patterns because of the lack of heifer availability probably also contributed. Gains in milk per cow weakened considerably as the year progressed.

Very weak growth going into 2003, little economic incentive to boost concentrate feeding, and erratic forage quality do not bode well for increases in milk per cow, even if this year's weather is normal. In addition, there likely is an unusually large share of first-calf heifers in the milking herd this year, further limiting potential gains. Milk per cow is projected to rise considerably less than 2 percent in 2003.

Milk production jumped 2.6 percent in 2002. Increases from a year earlier were very large through summer, first because of recovery in milk per cow and later because of growth in milk cow numbers. Although the autumn increase slackened, milk production expansion stayed sizable.

Changes in 2002 milk production varied greatly by region. Output rose rapidly in the West as the Mountain and Pacific regions boosted cow numbers and managed a mediocre increase in milk per cow. Production also rose in the Northern Plains, Corn Belt, Southern Plains, and Northeast. The Midwestern grain regions increased milk production because of increases

in milk per cow large enough to offset modest declines in milk cow numbers. The increasing number of large "new style" dairy farms in those regions has lifted average milk per cow considerably. The Northeast had a sizeable increase in milk per cow, following sluggish growth in 2001 that easily outweighed a fractional decrease in cow numbers. Meanwhile, brisk recovery in milk per cow in the Southern Plains dwarfed a sizeable drop in milk cows.

Milk production slipped in the Lake States. A sizable decline in cow numbers was accompanied by only a small gain in milk per cow. Meanwhile, milk output continued to drop in the South. The Appalachian, Southeast, and Delta regions continue to lose cows relatively rapidly as many of their farmers have not been competitive at recent prices. Milk per cow was fairly stagnant in southern regions, in part because of a less favorable summer.

Milk per cow in 2002 was more than 10 percent larger than the 1996-98 average, an annual growth rate of 2.0 percent. About a fifth of the increase in average milk per cow during that period was due to shifts in the distribution of cows among States. If States' shares of the U.S. milk cow herd had remained unchanged during the last 5 years, milk per cow would have increased at only a 1.6-percent annual rate. Milk production is projected to increase about 1 percent in 2003.

Largest Cow Slaughter Since 1997

First-quarter cattle slaughter and beef production are expected to average about 1 percent below a year earlier. Both steer and heifer slaughter are averaging below year-earlier levels, with slaughter weights fluctuating, but averaging near to below last year's records. Fed cattle prices are likely to average $77 to $78 per cwt this winter, up about $7 from a year earlier. However, both Utility cow and feeder cattle prices are under pressure from deteriorating forage conditions. Both Utility cow and yearling feeder cattle prices are likely going to average about $2 a cwt under last winter. Fed cattle prices have been very strong this winter, but much uncertainty exists over the next couple of quarters, particularly with an uncertain macroeconomic climate. Typically, yearling feeder cattle prices trade at an $8 to $15 premium over fed cattle prices, however the unusually strong fed cattle prices and future economic uncertainty combined with large cattle feeding losses over the past couple of years is resulting in a $7 to $8 discount. Higher grain prices and forage uncertainties, which could push more cattle into feedlots, are also forcing prices lower.

While steer and heifer slaughter is down, cow slaughter is at the highest levels since 1997. Dairy cow slaughter is up because of poorer returns and large numbers of dairy replacement heifers available. Producers are culling their poorer cows, and replacing them with more productive heifers. Dairy cow slaughter through February is up about 10 percent compared with last winter. Beef cow slaughter is up about 3 percent. However, this increase reflects continued deterioration in forage conditions and a much colder winter than the industry has experienced over the past couple of years. Typically with a larger proportion of the much heavier dairy cows in the slaughter mix, average cow slaughter weights would rise. However, this winter cow weights have been averaging near to below year-earlier levels, reflecting much lower beef cow conditions and consequently lighter slaughter weights. This reflects the amount of pressure on the forage supply and the importance of spring pasture growth. The industry needs additional forage as soon as possible, and many areas remains very dry. In fact, the drought area has expanded since last fall. Other areas that have had the drought cycle broken still need early growth so spring grazing gets off to a good start.

First-Quarter Hog Slaughter Larger Than Anticipated

U.S. processors continued to slaughter hogs, through February, at rates that exceeded earlier expectations. First-quarter 2003 slaughter is now expected to exceed year-earlier levels by more than 2 percent. Part of the reason for the higher-than-anticipated slaughter may be that producers are sending more gilts to slaughter than is seasonally typical. In fact, the **Monthly Hogs and Pigs** report (released February 28, 2003 by USDA/NASS) shows year-over-year reductions of 3 percent in monthly inventories of sows and gilts for December-February.

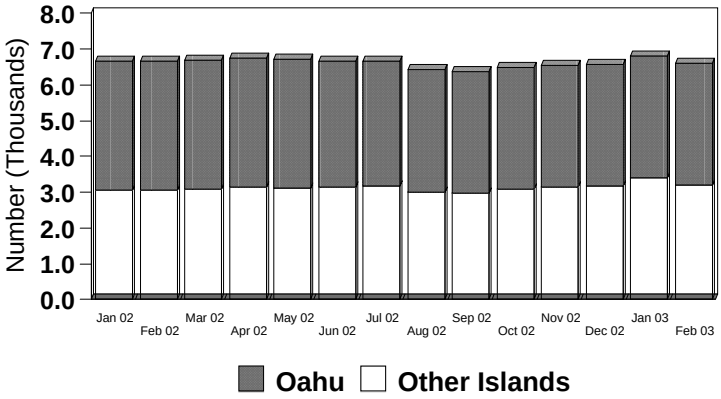
The higher slaughter is expected to push pork production almost 3 percent above first-quarter 2002 levels. First-quarter hog prices (barrow and gilt: national base live equivalent) are expected to range between $35 and $36 per cwt. USDA will release the **Quarterly Hogs and Pigs** report on March 28, 2003.

Source: ***Livestock, Dairy, and Poultry Outlook, March 17, 2003, Economic Research Service, United States Department of Agriculture.***

FEBRUARY MILK SLIGHTLY LOWER, YIELDS UNCHANGED

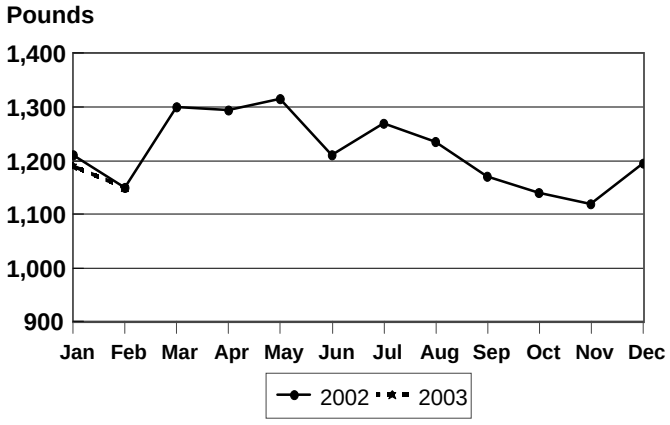
In February, Hawaii's dairy cows produced **7.6** million pounds of milk, compared to 7.7 million pounds in February 2002 and 8.1 million in January 2003. The cow inventory, both dry and in milk, numbered 6,600 head, 100 less than February last year and January this year. In February, output per cow averaged 1,150 pounds, unchanged from the same month last year but 60 pounds below January. Milk output for the first two months of 2003 totaled 15.7 million pounds, a 1 percent decline from the comparable period in 2002.

Milk Cows
State of Hawaii, 2002-2003



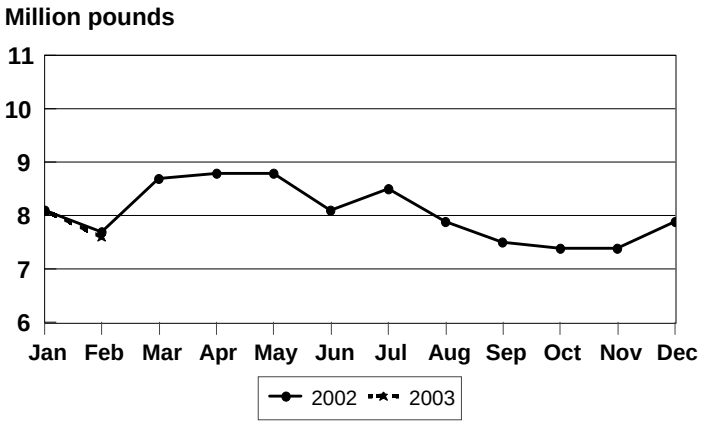
HASS

Milk Production Per Cow,
State of Hawaii, 2002-2003



HASS

Total Milk Production,
State of Hawaii, 2002-2003



HASS

Milk cows and milk production, State of Hawaii, February 2003

County	All milk cows [1][2][3]			Milk per cow [3]		Milk production [1][3]			
	Feb. 2002	Jan. 2003	Feb. 2003	Feb. 2002	Feb. 2003	Feb. 2002	Feb. 2003	Year-to-date 2002	Year-to-date 2003
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	3,060	3,300	3,200	910	940	2,790	3,005	5,665	6,135
Honolulu	3,600	3,400	3,400	1,350	1,340	4,860	4,560	10,085	9,540
State	6,700	6,700	6,600	1,150	1,150	7,700	7,600	15,800	15,700

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2003 are preliminary.

U.S. PRODUCTION UP 1.7 PERCENT

Milk production in the 20 major States during February totaled 11.6 billion pounds, up 1.7 percent from February 2002. January revised production, at 12.5 billion pounds was up 1.8 percent from January 2002. The January revision represented an increase of 1 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,485 pounds for February, 13 pounds above February 2002. The number of milk cows on farms in the 20 major States was 7.81 million head, 66,000 head more than February 2002, and 3,000 head more than January 2003.

Average farm prices, State of Hawaii, February 2003

Commodity		February 2002	January 2003	February 2003
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	79.0	76.0	75.0
	- (live weight equivalent)	(43.4)	(41.7)	(41.2)
Cows [1]	*- dressed weight*	56.0	56.0	56.0
	- (live weight equivalent)	(30.7)	(30.7)	(30.7)
Market hogs [1 2]	*- dressed weight*	114.0	114.0	114.0
	- (live weight equivalent)	(85.5)	(85.5)	(85.5)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		24.00	23.40	23.00
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		87.0	84.0	84.0

[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.