HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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MAY EGG PRODUCTION 10 PERCENT BELOW YEAR AGO

Egg production during May, totaled **11.3** million eggs (31,389 cases) 10 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. Fewer layers on hand along with a decrease in the average rate of lay accounted for the lower production. The average number of layers on hand during May 2001 was 595,000 compared with 607,000 a year ago and 602,000 during April 2001. The average rate of lay was 1,899 eggs per 100 layers (61.3 percent lay rate) compared with 2,076 (67.0 percent) a year ago. Cumulative production for the first 5 months of 2001 was 56.2 million eggs, 9 percent less than during the same period in 2000.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.23 billion during May 2001, up 2 percent from last year. Production included 6.11 billion table eggs and 1.13 billion hatching eggs, of which 1.06 billion were broiler-type and 70.0 million were egg-type. The total number of layers during May 2001 averaged 335 million, up 3 percent from the total average number of layers during May 2000. May egg production per 100 layers was 2,160 eggs, down 1 percent from 2,177 eggs in May 2000.

May 2001 contained 23 weekdays, one holiday and four Saturdays, equal to May 2000.

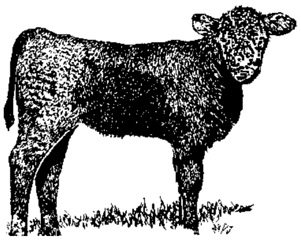
All layers in the U.S. on June 1, 2001 totaled 333 million, up 2 percent from a year ago. The 333 million layers consisted of 273 million layers producing table or commercial type eggs, 56.8 million layers producing broiler-type hatching eggs, and 2.95 million layers producing egg-type hatching eggs. Rate of lay per day on June 1, 2001, averaged 69.9 eggs per 100 layers, up slightly from the 69.7 eggs a year ago.

Laying flocks in the 30 major egg producing States produced 6.78 billion eggs during May 2001, up 2 percent from May 2000. The average number of layers during May, at 314 million, was up 3 percent from a year earlier.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	May 2000	Apr. 2001	May 2001	May 2000	May 2001	May 2000	May 2001	Year-to-date 2000	Year-to-date 2001
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	144	152	147	2,111	1,848	3.0	2.7	15.3	14.4
Honolulu	463	450	448	2,065	1,922	9.6	8.6	46.4	41.8
State	607	602	595	2,076	1,899	12.6	11.3	61.7	56.2

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



MAY MARKETINGS 44 PERCENT BELOW YEAR AGO

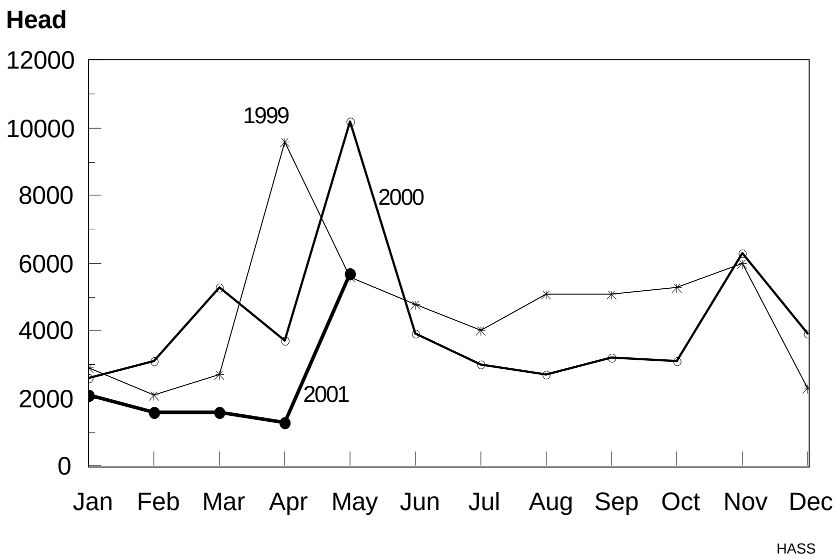
Cattle marketings during May 2001 totaled 6,700 head, compared with 12,000 a year ago and 3,200 during April 2001. Declines in both out-shipments and cattle for local slaughter accounted for the 44 percent drop in marketings compared with May 2000. Cattle and calves shipped out-of-State totaled 5,700 head compared with 10,200 a year earlier and 2,000 during April. Year-to-date marketings for the first 5 months of 2001 was 20,000 head, 38 percent less than a year earlier; while cumulative out-shipments for the same period was off 43 percent to 14,200 head.

Cattle Marketings, State of Hawaii, May 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	
May	12,000	6,700	6,300	3,600	3,900	2,100	10,200	5,700	360	360
Year-to-date [4]	32,200	20,000	15,500	8,300	9,400	5,900	24,900	14,200	390	400

[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		
6-16-01	—	—
6-30-01	—	—
from Sioux Falls		
6-16-01	76.00	75.50
6-30-01	73.50	73.75

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

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COMMERCIAL BEEF PRODUCTION 40 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during May 2001 totaled 534,000 pounds compared with 894,000 pounds a year earlier. Commercial kill for May 2001 totaled 1,000 head, 800 fewer than a year ago. Average live weight per head, at 971 pounds, was 6 percent heavier than a year ago. Cumulative production for the first 5 months of 2001 was 3.2 million pounds, 15 percent less than during the same period in 2000.

U.S. BEEF PRODUCTION

Beef production, at 2.29 billion pounds, was slightly below the previous year. Cattle slaughter totaled 3.20 million head, up 1 percent from May 2000. The average live weight was down 12 pounds from the previous year, at 1,184 pounds.

PORK PRODUCTION 6 PERCENT BELOW A YEAR AGO

Commercial pork production during May 2001 totaled 460,000 pounds, compared with 490,000 pounds a year ago. Total hog kill of 3,100 head was 100 less than a year ago. Average live weight per head, at 200 pounds, was 7 pounds lighter than May a year ago. Cumulative production for the first 5 months of 2001 was 2.2 million pounds, 2 percent less than the same period in 2000.

U.S. PORK PRODUCTION

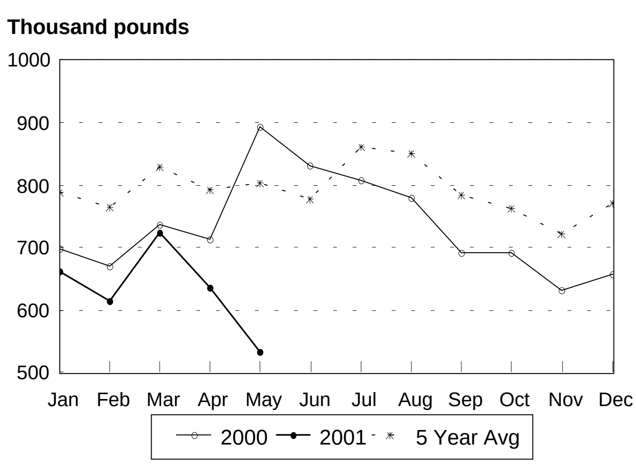
Pork production totaled a May record 1.56 billion pounds, up 1 percent from the previous May record high occurring last year. Hog kill totaled 7.96 million head, slightly above May 2000. The average live weight was 1 pound above the previous year, at 264 pounds.

Commercial slaughter, State of Hawaii, May 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								
May	1,800	1,000	913	971	1,628	972	894	534
Year-to-date	7,300	5,800			6,766	5,773	3,715	3,169
Hogs [3]								
May	3,200	3,100	207	200	653	613	490	460
Year-to-date	14,600	14,200			2,956	2,887	2,217	2,165

[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
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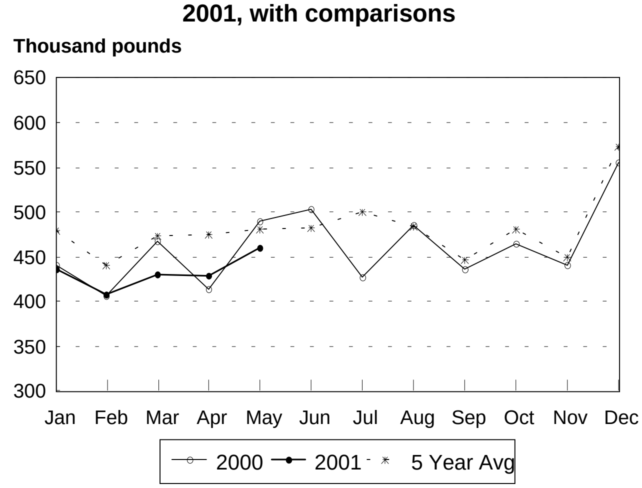


PASTURE AND LIVESTOCK CONDITION, JUNE 1, 2001

Hawaii County

Hilo and Puna: Warm, sunny days, with nearly daily light showers were beneficial to pasture development. Pastures were in fair to good condition. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: Except for coastal areas, most pastures were in fair to good condition. Although grass growth was slow and soil moisture levels declined, occasional showers during the month still helped to maintain pasture conditions. Coastal pastures on the other hand were dry and short of feed. Stock water supply levels were adequate. Cattle and calves were in fair to good condition. Minimal supplements were fed.

Kona: Lower elevation and coastal pastures continued dry with little feed. Pasture conditions ranged from poor to fair. Upper elevation pastures, along with most Central and South Kona pastures, were in fair to good condition. Good showers provided adequate moisture to prompt some forage growth. Stock water supplies were adequate. Cattle and calves were in fair condition. Supplemental feeding was cutback in Central and South Kona, but were still being fed in the drier areas of North Kona.

Kohala: Very dry conditions prevailed during May, basically ranging from 10% of normal at Kamuela Upper to 48% of normal at Kamuela. The exception was Waikii which had 1.83 inches of rainfall, 203% of normal. Fair to good pasture conditions existed along most eastern facing and upper elevation pastures, however, lower elevation pastures were in poor condition. The continued dry weather kept many of the lower elevation leeward facing Kohala mountain and Mauna Kea pastures barren with only sparse vegetation. As a result, of the dry conditions all pastures had below normal carrying capacities. The spread of noxious weeds continued. Cattle and calves were in fair to good condition. Feeding supplements continued in the drier areas.

Hamakua: Light rainfall along the mid to lower elevations helped maintain pasture conditions in the fair to good range. The lack of rainfall at the upper elevations left pastures in poor condition. Stock water supplies were adequate in most areas, but a few ranchers still needed to haul water to livestock to offset low supply levels. The condition of cattle and calves ranged from fair to good.

Honolulu County

Pasture conditions continued poor to fair for this time of year. Except for a period of heavy rainfall during the middle of the month, shower activities were light and confined to windward and upper elevations. As a result of the one day of heavy precipitation, rainfall totals were above 50% for most areas of the island except for most lower elevation leeward sectors. Cattle and calves were in poor to fair condition. Supplements were fed to maintain livestock.

Kauai County

The same weather system that brought rains to Oahu brought enhanced shower activities to the northeast areas of the island. The driest areas of the island were in the Lihue and Hanapepe areas. Most pastures were dry, but in fair to good condition with adequate old feed available. Most cattle and calves were in fair to good condition. Heavy infestations of hornfly continued on the eastside of the island.

Maui County

Variable rainfall during the month left pastures in poor to fair condition. Rainfall totals ranged from zero in Kihei to 3.79 inches in Kahakuloa. In general, windward pastures faired better than leeward pastures, however, Hana rainfall was only 15% of normal. Ulupalakua received 1.90 inches, 100% of normal. Lower elevation, leeward pastures remained dry and in poor condition. On Molokai, eastern pastures were in better condition than western pastures which were generally dry. The lack of rainfall had ranchers hauling or pumping water for livestock. Cattle and calves were in fair to good condition, but supplements were being fed in areas that lacked adequate forage.

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.***

Meat and Poultry Production To Rise Slightly in 2002

Red meat and poultry production in 2002 is forecast at nearly 83 billion pounds, up 1 percent from this year, and marginally higher than the record production in 2000. Continuing increases in pork and poultry production, bolstered by profitability and continued relatively low corn and soybean meal prices, will more than offset a modest decline in beef production. Due to forage problems last summer in some major States and harsh winter conditions, beef producers continued to reduce their breeding herds. Producers are expected to begin retaining females, which will add to the breeding herd and further reduce beef production.

Although red meat and poultry supplies are record large, continued relatively strong domestic and foreign demand is forecast to maintain prices. Prices for both fed and feeder cattle are expected to post modest gains as supplies continue to decline. Wholesale broiler dark meat parts prices are also expected to post modest gains due to continuing strength in exports. Increased pork production will likely pressure hog prices downward.

Retail prices for red meat and poultry are expected to rise very modestly in 2002. Despite a continuing declining supply of beef, retail prices are expected to increase 1-2 in the face of large competing meat supplies. The modest increase in pork supplies is expected to keep the retail pork rise very modest (1-3 percent) as the farm-retail price spread widens. Poultry prices (BLS price index) may rise 1-3 percent, while eggs are about unchanged after posting an expected 5-6 percent rise in 2001.

Total exports of meat products are expected to rise about 3 percent in 2002 over this year, largely due to a 5-percent rise in broiler exports. Imports are expected to rise slightly (1 percent) largely due to increased pork imports.

Beef Production To Decline Cyclically in Late Summer Through 2002

Cattle inventories have been declining cyclically since 1996, a decline likely to continue through 2003. Heifer slaughter remains large and, with the record number of heifers in feedlots, will remain large through at least summer. Any appreciable increase in heifer retention, particularly to more than offset the increased cow slaughter in the first half of this year will have to come from heifers retained from this year's calf crop. These heifer retentions, together with an already declining calf crop, will hold down feedlot placements resulting in reduced beef supplies. Most of the heifers from this year's calf crop won't be bred until late spring-early summer of 2002 to calve in 2003 and begin to increase beef supplies in 2004. With improved grazing conditions and rebuilt hay stocks, cow slaughter should also resume the decline that was disrupted by the roughest winter since 1992/93. Annual cow slaughter is still expected to decline about 7 percent from a year earlier, and slaughter in 2002 is likely to decline another 3 to 4 percent.

Beef production in 2001 is expected to decline 4 to 5 percent from last year's record supply. Production in 2002 is likely to decline 2 to 3 percent as slaughter weights rise well above this year's modest increase caused by weather extremes in the first half of the year. Although a larger proportion of the cattle on feed will be calf feds, they will be fed to heavier weights and will be well rewarded, as more of these cattle reach higher grades.

Prices for fed cattle in 2002 are likely to average near $80 per cwt, up from this years $76 average. Prices have already moved well above the $69.65 average of 2000. Yearling feeder cattle prices will continue the upward march, reflecting favorable feeding costs and tight feeder cattle supplies. Prices moved up to the upper $80's this year and are expected to move into the low $90's in 2002. One problem the feeding industry may have over the next several years is that high prices for feeder cattle may squeeze feeder's margins as fed cattle have to compete against larger supplies of pork and poultry at already lower relative prices.

Beef Exports for 2002 to Increase

Despite a 2-3 percent decline in U.S. supplies and marginally higher prices, U.S. beef exports are expected to increase as more pork and poultry hold the increase in the U.S. Choice price to only about 1 percent, and continued worldwide economic growth stimulates demand in major markets. Supplies from South America and the European Union (EU) will continue to be limited because of foot-and-mouth disease (FMD) considerations, while Australia and New Zealand are expected to begin a long-delayed herd rebuilding. Of the major exporting countries, only Canada will have substantially higher supplies available for export next year.

Pork Production To Rise Slowly

Pork producers are gradually expanding production this year and are expected to continue the slow rate of expansion through 2002. The changing industry structure and financial problems in late 1998 and 1999 have contributed to a muted response to favorable returns in 2000 and the first-half of 2001. Many smaller producers exited the industry in the late 1990's. Of the smaller producers left, many may still be recovering from financial problems of late 1998 and early 1999.

To expand production, larger and mid-sized producers face a more complicated process now than in the recent past. Expansion processes now include securing financing, obtaining building and waste management permits from State and local authorities and hiring and training staff. In addition, vertical coordination through either marketing or production contracts are currently prevalent, rather than the spot market sales as in past years. The factors that complicate expansion today, are likely those that are muting the peaks and valleys of the hog production cycle.

Pork production in 2002 is forecast at 19.7 billion pounds, up 3 percent from this year. Hog slaughter will likely be up about 2 percent and the average dressed weight will likely be a pound heavier. The March **Hogs and Pigs** report indicated the inventory of all hogs and pigs was up 2 percent from a year earlier. The number of hogs kept for breeding was up 1 percent, consistent with the March-August farrowing intentions (up 1 percent from actual farrowings a year ago). Farrowings during September 2001-June 2002 are expected to be up 1-2 percent continuing on the slow track. Pigs per litter are expected to rise very modestly (less than 1 percent) resulting in pig crop increases during June 2001-May 2002 of 2-3 percent.

Hog prices are expected to average in the low- to mid-$40's per cwt in 2002, compared with the mid-$40's this year. Competing poultry meat supplies will continue to be large. Retail pork prices are expected to rise 1-3 percent in 2002, about the same increase expected this year. Record retail beef prices increases the competitive position of pork and provides less incentive for retailers to feature pork.

Poultry Production To Rise Moderately

Poultry output in 2002 is expected to rise about 3 percent, compared with a less than 1-percent increase expected this year. As improving net returns to broiler processors will likely encourage 1 3-percent boost in broiler production next year. Wholesale whole broiler prices will likely register a modest increase into the low 60 cents per pound in 2002, compared with high 50 cents this year. With continued low feed costs, net returns should improve. A key factor in higher broiler prices is the continuing strong export market. Broiler exports have been boosted by strong sales in Eastern Europe and China. Turkey production is expected to increase about 2 percent in 2002, compared with a 4-percent rise this year. Turkey prices are expected to average about the same in 2002 as this year, around 68 cents per pound.

Lamb and Mutton Production Down in First Quarter of 2001

In the first quarter of 2001, commercial production of lamb and mutton totaled 59 million pounds, 6 percent lower than the same period in 2000. The average carcass weight of lambs are available for same period was 73 pounds, up 4 pounds from a year earlier. Fewer lambs are available for market and farmers appear to be keeping lambs longer to capitalize on higher lamb prices. Prices of slaughter lambs at San Angelo averaged $83.63 per cwt in the first quarter of 2001, $7 more than in the same period last year. Consumption held steady and was met by an increase in lamb and mutton imports. Imports in the first quarter of 2001 were 18 percent higher than the fourth quarter of 2000 and 14 percent higher than the first quarter of 2000. Imports from Australia made up more than 73 percent of all lamb and mutton imports for the first quarter of 2001.

Source: ***Livestock, Dairy and Poultry Situation and Outlook, May 30, 2001, Economic Research Service, United States Department of Agriculture.***

MAY MILK LOWER

Hawaii's dairy cows produced **9.7** million pounds of milk in May compared to 11.3 million pounds produced during May 2000 and 9.8 million pounds produced in April 2001. The cow inventory, both dry and in milk, totaled 7,500 head, down 1,000 from May last year and 100 lower than April of this year. Output per cow during the month averaged 1,295 pounds, 35 pounds below May a year ago but 5 pounds above April. Milk production for the first five months of 2001 totaled 47.0 million pounds, 6 percent below the same period last year.

U.S. PRODUCTION DOWN 1.1 PERCENT

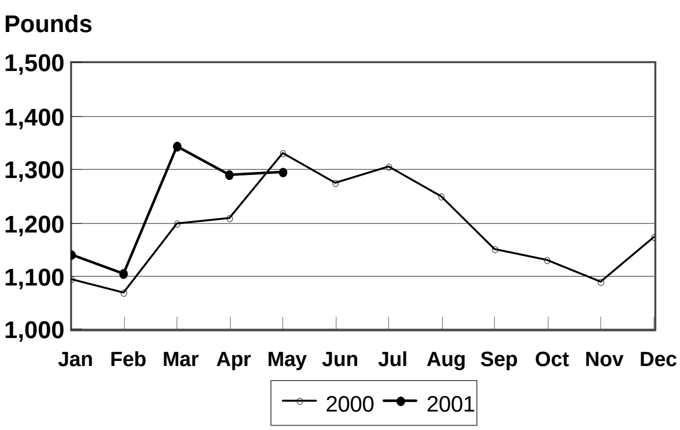
Milk production in the 20 major States during May totaled 12.6 billion pounds, down 1.1 percent from May 2000. April revised production, at 12.2 billion pounds was down 2.0 percent from April 2000. The April revision represented a decrease of 0.1 percent or 14 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,629 pounds for May, 7 pounds below May 2000. The number of cows on farms in the 20 major States was 7.74 million head, 55,000 head less than May 2000 but unchanged from April 2001.

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	May 2000	Apr. 2001	May 2001	May 2000	May 2001	May 2000	May 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii/Kauai	3,180	2,950	2,930	1,195	1,005	3,805	2,950	16,635	14,385
Honolulu	5,300	4,600	4,600	1,415	1,465	7,505	6,740	33,340	32,685
State	8,500	7,600	7,500	1,330	1,295	11,300	9,700	50,000	47,000

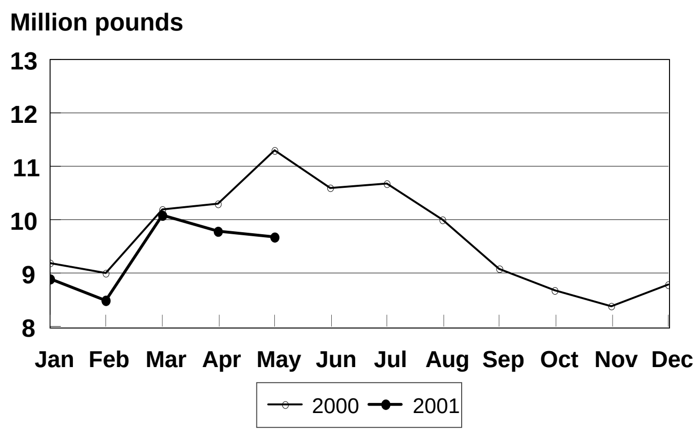
[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2000 are final but preliminary for 2001.

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



HASS

Total Milk Production, State of Hawaii, 2000-2001



HASS

Average farm prices, State of Hawaii, May 2001

Commodity		May 2000	April 2001	May 2001
		cents per pound		
Range steers and heifers [1]	- *dressed weight*	82.0	79.0	78.0
	- *(live weight equivalent)*	(45.0)	(43.4)	(42.8)
Cows [1]	- *dressed weight*	51.0	51.0	51.5
	- *(live weight equivalent)*	(28.0)	(28.0)	(28.3)
Market hogs [1,2]	- *dressed weight*	108.5	111.0	114.0
	- *(live weight equivalent)*	(81.5)	(83.3)	(85.5)
		dollars per 100 pounds		
Milk [3]		24.70	24.90	25.40
		cents per dozen		
Eggs [4]		88.5	85.0	85.5

[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.