HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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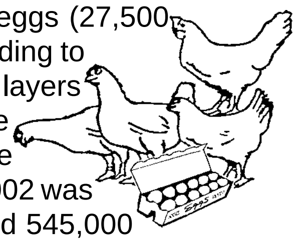
MAY EGG PRODUCTION OFF 12 PERCENT FROM YEAR AGO



Egg production during May, totaled **9.9** million eggs (27,500 cases) 12 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. Fewer layers on hand producing at a slightly lower average rate of lay accounted for the decline in production. The average number of layers on hand during May 2002 was 524,000, compared with 595,000 a year ago and 545,000 during April 2002. The average rate of lay was 1,889 eggs per 100 layers (60.9 percent lay rate) compared with 1,899 (61.3 percent) a year ago. Cumulative egg production for the first 5 months of 2002 was 49.3 million eggs, 12 percent less than the same period in 2001.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.26 billion during May 2002, up slightly from last year. Production included 6.13 billion table eggs and 1.14 billion hatching eggs, of which 1.07 billion were broiler-type and 65.0 million were egg-type. The total number of layers during May 2002 averaged 334 million, slightly lower than the average number of layers during May 2001. May egg production per 100 layers was 2,172 eggs, up 1 percent from the 2,160 eggs in May 2001.

May 2002 contained 23 weekdays including one holiday, and four Saturdays, equal to May 2001.

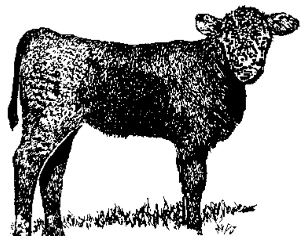
All layers in the U.S. on June 1, 2002 totaled 334 million, slightly higher from a year ago. The 334 million layers consisted of 273 million layers producing table or commercial type eggs, 58.3 million layers producing broiler-type hatching eggs, and 2.66 million layers producing egg-type hatching eggs. Rate of lay per day on June 1, 2002, averaged 70.5 eggs per 100 layers, up 1 percent from a year ago.

Laying flocks in the 30 major egg producing States produced 6.82 billion eggs during May 2002, up slightly from a year ago. The average number of layers during May, at 313 million, was down slightly from a year earlier.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	May 2001	Apr. 2002	May 2002	May 2001	May 2002	May 2001	May 2002	Year-to-date 2001	Year-to-date 2002
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	147	121	117	1,848	1,941	2.7	2.3	14.4	12.1
Honolulu	448	424	407	1,922	1,897	8.6	7.7	41.8	37.3
State	595	545	524	1,899	1,908	11.3	9.9	56.2	49.4

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



MAY MARKETINGS 32 PERCENT BELOW A YEAR AGO

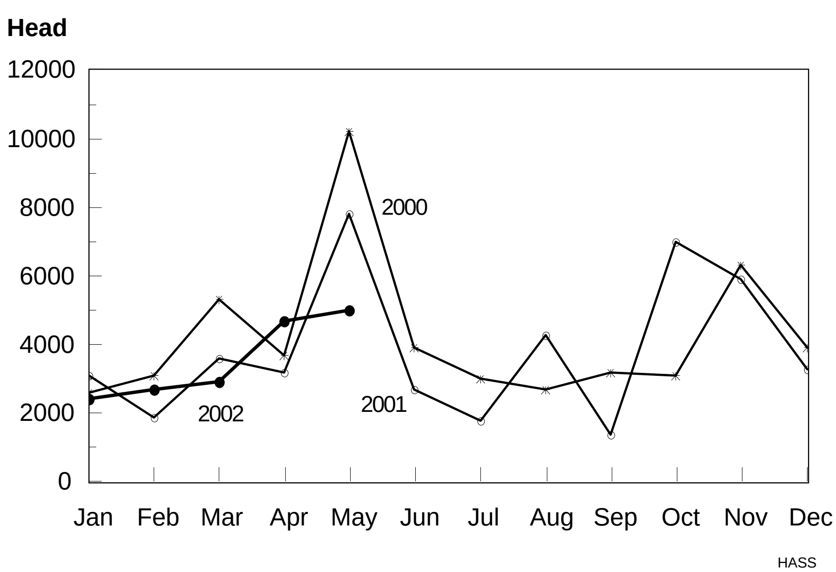
Cattle marketings during May 2002 totaled 6,000 head, compared with 8,800 head a year ago and 5,600 head during April 2002. A decline in out-of-state shipments accounted for the 32 percent drop compared with a year earlier. Year-to-date marketings at 22,500 head was 11 percent fewer than the same 5-month period in 2001. The number of cattle and calves shipped out-of-State totaled 5,000 head compared with 7,800 a year earlier and 4,700 during April. Out-of-state marketings during the 5 months of 2002 was 17,600 head, 10 percent below the same period in 2001.

Cattle Marketings, State of Hawaii, May 2002

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
	head								pounds	
May	8,800	6,000	4,900	3,000	2,900	2,000	7,800	5,000	430	440
Year-to-date [4]	25,400	22,500	11,500	10,400	8,100	7,200	19,600	17,600	430	430

[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		
5-18-02	—	—
6-1-02	—	—
from Sioux Falls		
5-18-02	68.75	66.50
6-1-02	68.75	64.25

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

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COMMERCIAL BEEF PRODUCTION 2 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during May 2002 totaled 544,000 pounds, compared with 534,000 pounds a year earlier. Commercial kill for May 2002 totaled 1,000 head, unchanged from a year ago. Average live weight per head, at 1,019 pounds, was 5 percent heavier than a year ago. Cumulative production for the first five months of the year was 2.7 million pounds, 14 percent below the same period last year.

U.S. BEEF PRODUCTION

Beef production, at 2.34 billion pounds, was 2 percent above the previous year and a new record high for May. Cattle slaughter totaled 3.15 million head, down 2 percent from May 2001. The average live weight was 1,223 pounds, up 39 pounds from May a year ago.

PORK PRODUCTION DOWN 2 PERCENT FROM A YEAR AGO

Commercial pork production during May 2002 totaled 450,000 pounds, compared with 460,000 pounds a year ago. Total hog kill of 2,800 head was 300 less than a year ago. Average live weight per head, at 216 pounds, was 16 pounds heavier than May a year ago. Cumulative production for the first 5 months of 2002 was 2.1 million pounds, 3 percent less than the same period in 2001.

U.S. PORK PRODUCTION

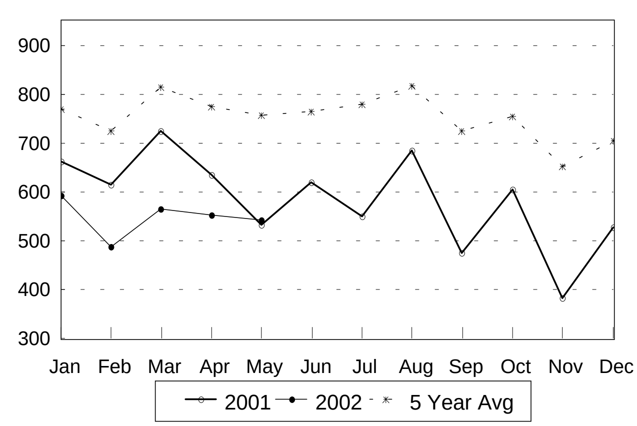
Pork production totaled 1.65 billion pounds, up 6 percent from the previous year and a new record high for May. Hog kill totaled 8.33 million head, 5 percent above May 2001. The average live weight was 267 pounds, up 3 pounds from May a year ago.

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

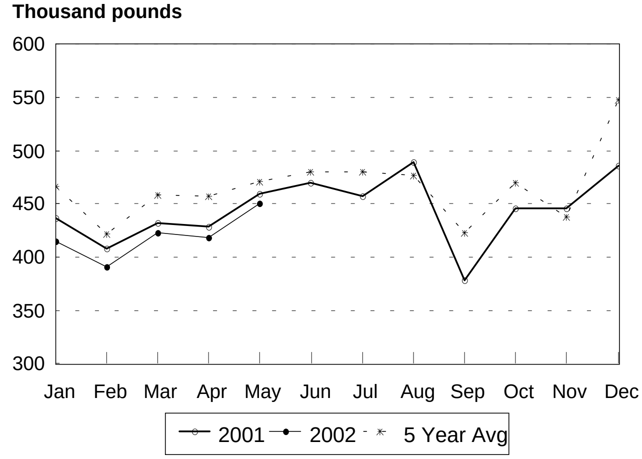
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2001	2002	2001	2002	2001	2002	2001	2002
			------ pounds ------		------------ 1,000 pounds ------------			
Cattle								
May	1,000	1,000	971	1,019	972	991	534	544
Year-to-date	5,800	4,800			5,773	4,994	3,169	2,742
Hogs [3]								
May	3,100	2,800	200	216	613	600	460	450
Year-to-date	14,200	13,200			2,888	2,797	2,166	2,098

[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, JUNE 1, 2002

Hawaii County

Hilo and Puna: Rain gages located in this district recorded above normal rainfall for May, resulting in fair to good pasture conditions and forage supplies. A few areas were wet and soggy. Cattle and calves were in fair to good condition.

Ka'u: Continued frequent shower activities throughout May kept pastures in fair to excellent condition. New grass growth was good. The two rain gages stationed in Ka'u registered rainfall totals well above normal for the month. Cattle and calves were in fair to very good condition.

Kona: Although rainfall totals were below normal for the month frequent shower activities, as recorded by the four rain gage stations - ranging from 65 to 95 percent of normal, helped to maintain most pastures in fair to very good condition. Forage supplies were ample for this time of year. Cattle and calves were in fair to good condition with some supplements being fed.

Kohala: Rainfall recorded by rain gage stations in Kohala ranged from 11 percent at Kahua Ranch to 163 percent at Waikii. Although the rainfall amounts varied greatly the frequent showers kept most pastures in fair to excellent condition. Forage supplies were adequate and new grass growth was progressing well. However, on the downside this has also prompted the growth and spread of noxious weeds. Cattle and calves were in fair to excellent condition. Some supplements were still being fed.

Hamakua: For the month of May this was the driest district on the island. However, light frequent showers with partly sunny skies benefitted pasture development. Most pastures were in fair to good condition with an adequate supply of forage feed. With the lighter rains, some hauling of stock water took place. Cattle and calves were in fair to good condition.

Honolulu County

Nearly all areas of the island received above normal rainfall, much of which occurred during the first half of the month, especially from the thunderstorm on May 6th. Some flooding and minor damage resulted from the thunderstorm, but grazing areas in general benefitted from the ample rainfall. Most pastures were in fair to very good condition. Cattle and calves were in fair to good condition.

Kauai County

Several different weather troughs produced some intense rainfall, which drenched the island and produced above normal readings at all rain gage stations for the month. Pastures condition as a result was fair to very good. Cattle and calves were in good condition.

Maui County

As with the other islands to the northwest, above normal rainfall occurred at all rain gage stations except at Kamalo on Molokai with totals at 84 percent of normal. The ample showers benefitted all grazing areas, especially the leeward pastures. Kihei especially, received rainfall amounts well above normal for this time of year. As a result, pasture conditions were much improved and were in fair to excellent condition. 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

Heavy Beef Supplies, Price Pressures Continue

Although feedlot placements declined over last year's levels in April, most of the placements have been heavier feeder cattle. These heavier weight placements will add to already large numbers of feedlot inventories that likely will be marketed by the end of summer. Although cattle inventories have been declining since 1996, moisture-forage conditions over the next few months as breeding decisions are made will hold the key to placements and beef supplies this fall and in 2003.

Second- and third-quarter beef production are expected to rise 4 and near 3 percent, respectively, over the weather-reduced levels of a year earlier. First-quarter production was up 3 percent. Cattle slaughter is only modestly different from a year earlier, but much-improved feeding conditions this year have resulted in sharply increased commercial dressed slaughter weights. Weights were up 31 pounds in the first quarter and will be 20 to 25 pounds heavier in the second quarter. Year-to-year weight increases will continue in the third quarter, but the difference will moderate due largely to improved weight gains in 2001. Weights, however, are almost certainly going to continue on a record setting pace for the foreseeable future. Cow slaughter has picked up this spring as forage supply worries increased, helping to hold down weight increases.

Cattle prices continue under pressure of large supplies. Fed cattle prices this spring are nearly $10 per cwt under the weather-shorted prices of last spring. Prices will come under even more pressure as summer weather tends to reduce demand following the May-

June period of strong holiday demand and as production rises seasonally. Prices are expected to average in the low- to mid- $60s this summer, with prices beginning to strengthen in late summer. Stocker-feeder cattle prices continue under pressure of feedlot losses since spring 2001 and poor to uncertain forage prospects in most areas. Hay prospects have declined, with most areas too dry, but some areas have been much too wet. Limited irrigation water supplies may also hold down production in a number of usually very dependable areas.

As with fed cattle prices, retail beef prices are currently well under year-earlier levels and will likely decline through summer. Prices last year were still rising, while this year prices have been fairly steady in the low $3.30s through April. Increased supplies of beef, particularly higher grading beef, along with large supplies of competing meats have held down prices. While beef exports have held up well against the depressed level of a year earlier when the United States was priced out of the export market, exports of pork have slowed and broiler exports are down sharply. Consequently, second quarter per capita red meat and poultry consumption are expected to rise 3 pounds above a year earlier, and supplies through the end of the year will also remain large.

Hog Prices Weak

Continued weakness in demand for pork products and a larger than anticipated slaughter kept hog prices low in May, more than $17 below a year ago. Based on expectations for continued softness in consumer pork demand, plus much larger domestic broiler supplies for the remainder of 2002 and 2003, live hog prices are expected to average in the mid $30s in both 2002 and 2003. Average retail prices for this year are expected to exhibit continued stickiness, despite larger pork supplies, holding steady at around $2.66 a pound. In 2003 the retail price of pork is expected to average a few cents per pound lower.

During March-May, the composite pork carcass cutout averaged over 25 percent lower than in the same period last year. The difference in the cutout shows general market weakness at the wholesale level. This weakness is reflected back through the supply chain, and finally in live hog prices, which during March-May, averaged 30 percent below last year. Softness in the wholesale market is largely attributed to the sluggish demand, lower exports, and larger supplies of beef and poultry.

The May **Hogs and Pigs** report indicated that the April 2002 pig crop and females bred each increased 1 percent over a year ago. Breeding herd numbers on April 1 were slightly above April of last year. More in-depth details on producers' reactions to the market weakness will be available in the Quarterly Hogs and Pigs report to be issued on June 28.

Pork Exports Down

U.S. pork exports finished the first quarter of 2002 almost 3 percent lower than a year ago. In the three primary export markets for the United States, Japan imported about the same quantity in the first quarter, while Mexico's imports fell 9 percent. Canada's imports increased 17 percent. For the remainder of the year, exports will depend on domestic pork prices, economic growth abroad, and the competitiveness of the U.S. dollar with respect to currencies of other pork exporting countries. Exports for 2002 are forecast to decline about 5 percent to 1.5 billion pounds.

U.S. pork imports increased almost 4 percent in the first quarter of 2002. All of the increase came from Canada, which exported 11 percent more pork to the United States than in the same period last year. Denmark's export to the United States fell almost 17 percent. The continued re-allocation of U.S. imports toward Canada, and away from Denmark, reflects ongoing integration of the U.S. and Canadian pork industries S from farm to fork.

Live hog trade in the first quarter showed the United States, importing almost 1.5 million Canadian hogs, over 60 percent of which were feeder animals. In recent weeks, lower U.S. hog prices appear to be pressuring prices that U.S. hog feeders are willing to pay for Canadian pigs. Sixty to seventy percent of Canadian feeder pigs are imported under contracts that typically contain a minimum price, and/or a pricing linkage to the futures market.

Broiler Export Forecasts for 2002 and 2003 Lowered

U.S. broiler exports in 2002 are expected to total about 4.9 billion pounds, down 500 million pounds from earlier expectations. If realized, 2002 exports would be down about 650 million pounds from the 5.56 billion pounds exported in 2001. Even though this is a hugh decline from the previous year, exports in 2002 would be about even with 2000. While the disruption of exports to Russia since mid-March represents the chief factor behind the reduction in export estimates, disruptions in shipments and changes in other markets has added to the overall uncertainty of the export market. Other countries have also banned imports of U.S. poultry products. These bans have ranged from total bans of all U.S. poultry products (Ukraine) to bans on products from specific States (Japan). The second major factor is the slowdown of poultry imports into China, which has affected both direct exports to China and those going indirectly to China through Hong Kong.

The major impact of these bans or slowdowns is expected to be felt in the second and third quarters of 2002, but the lingering effects of changes in the regulations governing imports in a number of countries are expected to last through 2003. Thus, broiler export forecasts for 2003 are now 5.45 billion pounds down 400 million pounds, from earlier expectations.

Because the export market had become such a major proportion of the domestic broiler production (17-18 percent), the reduction in broiler exports is impacting domestic production, parts prices, and stocks. Broiler production is expected to be about 32.2 billion pounds this year, 3 percent higher than the previous year with more of the growth in the first half. Since the middle of March, the year-over-year increases in the weekly number of chicks placed for growout have slowed considerably, with the average for the last 5 weeks at slightly over 1 percent. Earlier in the year, chick placement had been running over 3 percent higher than the previous year.

The drop in the export market is having a varying impact on broiler prices, depending upon the amount of product exported. Since only small amounts of whole birds and breast meat are exported, the price of these products has been impacted less than other products. The drop in shipments to Russia and the slowdown in shipments to China have had a major impact on leg quarter and wing prices. Over the first quarter of 2002, leg quarters made up almost 60 percent of all broiler exports to Russia, and leg quarter exports to Russia accounted for 57 percent of all leg quarter exports. In April 2002 leg quarter prices averaged 19.2 cents a pound, down 29 percent from a year earlier. China's dominance in broiler wing exports is even stronger. In the first quarter of 2002, exports of broiler wings to Hong Kong and China totaled over 55 million pounds, down over 20 percent from the same period in 2001. This market accounts for almost 85 percent of all U.S. wing shipments. Wing prices in April 2002 averaged 62.5 cents a pound compared with 102.5 cents a pound the previous year, a decrease of 39 percent.

As exports have slowed, broiler stocks have expanded. At the end of April, stocks of whole broiler and broiler parts in cold storage were reported at 847 million pounds, up 31 percent from the previous year. While stocks of whole birds have risen faster (up 123 percent), the increase is chiefly due to a 28-percent increase in stocks of broiler parts, as parts make up about 95 percent of all broiler stocks.

Milk Production Expands

Milk production this spring continued to post significant increases from the sagging output of a year earlier. Even so, problems with supplies of alfalfa hay and dairy replacement heifers continued to trim the production recovery. Alfalfa hay supplies might become particularly serious if growth in some key dairy areas does not come back for later cuttings. However, the provisions of the new farm legislation will help cushion the impact of this year's lower returns, particularly for smaller producers.

Milk cow numbers in the 20 States were slightly above a year earlier in April. Cow numbers have varied little since the spring of 2001. The strong returns of 2001 (and the generally high returns during 1998-2001) might have been expected to result in increasing cow numbers during this period. However, the shortage of replacement heifers probably continues to leave some new facilities below capacity and to deter some herd expansions. In April, prices for replacements were $1,710 a record and up more than $300 from a year earlier. Pent-up expansion pressure probably will be a significant factor in cow numbers through the rest of 2002.

Returns over concentrate costs are expected to fall below $10 per cwt of milk in 2002, down $2 or more from 2001. In recent years, a significant pickup in farm exits has been associated with such levels of returns, as well as a slowing in expansions and entries. Direct payments under the new farm legislation will offset about half of the decline in returns for smaller operations, but these farms' effective returns will still be significantly lower than in 2001, 1999, or 1998. Farm exits are expected to accelerate slowly by late 2002 or early 2003.

Milk cow numbers are projected to be near a year earlier through the spring and summer but begin to slip this autumn and into 2003. The 2002 annual average is expected to be just barely below last year's, and even the 2003 decline is projected to be only about 1 percent.

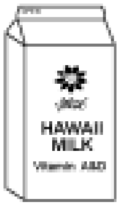
Milk per cow has struggled to move back toward the long-run trend in recent months, even though it posted almost 3-percent increases (20 States) from last year's slipping levels. Inexpensive concentrate feed prices kept milk-feed price ratios moderately favorable even at much lower milk prices. However, short-term expedients to accommodate the heifer shortage probably have had negative effects on milk per cow. In addition, supplies of good forage are shaping up as a major potential problem.

May 1 hay stocks were up almost 7 percent from a year earlier. However, the increase was concentrated in the Plains and western Corn Belt. Stocks fell substantially in the Lake States, decreased moderately in the Northeast, and were generally unchanged in the West. Meanwhile, production problems also loom in important dairy areas. Irrigation water will be less available in many western areas, even though the first cutting of hay was fairly good and export demand has been lower. Cool spring weather slowed hay growth in the Upper Midwest, boosting feeding of old-crop hay and reducing the quantity (but not necessarily quality) of the first cutting. Parts of the Northeast have been dry, trimming first cutting yields. Recovery in hay yields for the later cuttings could leave forage supplies adequate, particularly since quality of much first cutting eastern alfalfa is suspect in most years. However, there is relatively little cushion against any further hay problems.

Hay problems will have negative effects on milk per cow, although these effects might be fairly small if forage conditions recover. Milk per cow is projected to run almost 3 percent above the relatively weak 2001 levels during the rest of 2002, but is not expected to fully close the gap with the long-run trend until 2003. This gain in milk per cow is projected to bring 2002 milk production to about 170 billion pounds, up almost 3 percent from a year ago.

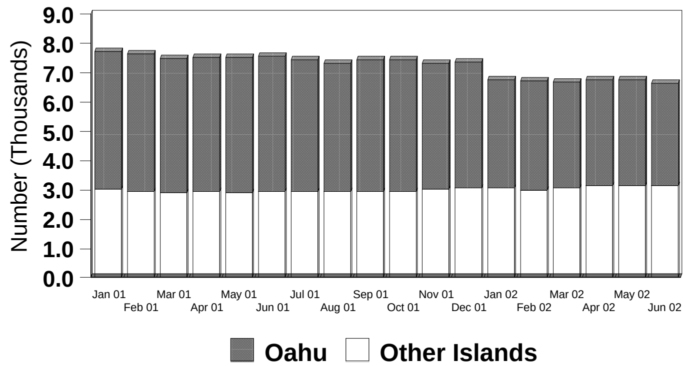
Source: ***Livestock, Dairy, and Poultry Outlook, June 25, 2002, Economic Research Service, United States Department of Agriculture.***

MAY MILK DOWN, YIELD UNCHANGED



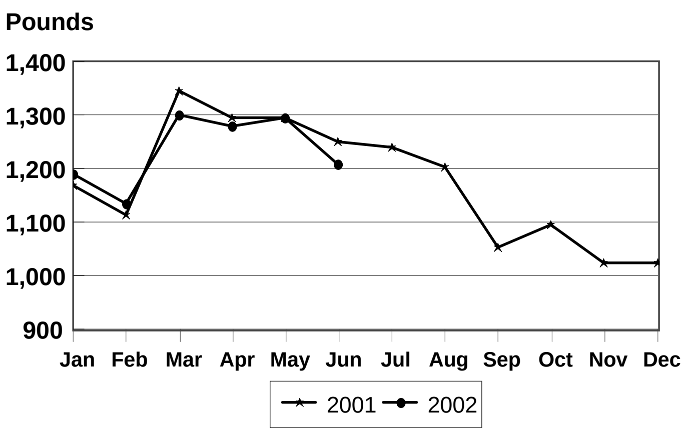
Hawaii's dairy cows produced **8.8** million pounds during June, down 9 percent from June 2001 but up 1.0 percent from May 2002. The cow inventory, both dry and in milk, numbered 6,700 head, 700 less than May 2001 but unchanged from April 2002. Output per cow averaged 1,295 pounds in May, remaining the same as last year but 15 pounds more than the previous month. Production for the first five months of 2002 was down 11 percent from the comparable period in 2001 to 41.9 million pounds.

Milk Cows
State of Hawaii, 2001-2002



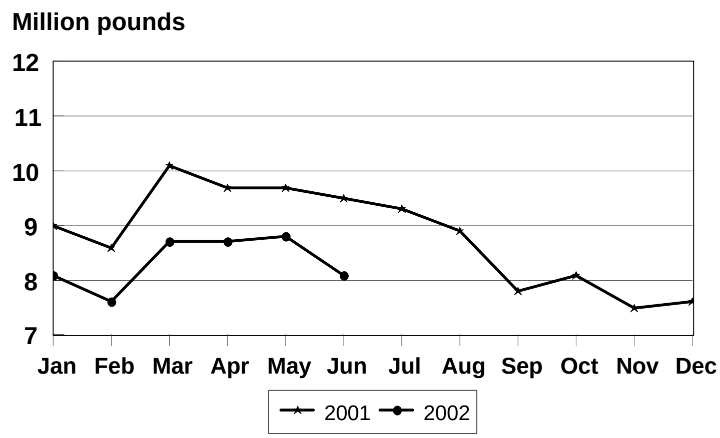
HASS

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, June 2002

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	June 2001	May 2002	June 2002	June 2001	June 2002	June 2001	June 2002	Year-to-date 2001	Year-to-date 2002
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii		3,150							
Honolulu		3,600							
State		6,800							

[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 3.2 PERCENT

Milk production in the 20 major States during May totaled 13.0 billion pounds, up 3.2 percent from May 2001. April revised production, at 12.6 billion pounds was up 3.3 percent from April 2001. The April revision represented an increase of 0.3 percent or 42 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,681 pounds for May, 49 pounds above May 2001. The number of milk cows on farms in the 20 major States was 7.76 million head, 14,000 head more than May 2001, and 9,000 head more than April 2002.

Average farm prices, State of Hawaii, May 2002

Commodity		May 2001	April 2002	May 2002
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	78.0	80.0	78.5
	- (live weight equivalent)	(42.8)	(43.9)	(43.1)
Cows [1]	*- dressed weight*	51.5	54.5	55.0
	- (live weight equivalent)	(28.3)	(29.9)	(30.2)
Market hogs [1 2]	*- dressed weight*	114.0	113.5	113.0
	- (live weight equivalent)	(85.5)	(85.1)	(84.8)
		dollars per 100 pounds		
Milk [3]		25.40	23.80	23.70
		cents per dozen		
Eggs [4]		85.5	86.0	86.0

[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.