HAWAII AGRICULTURAL
STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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JUNE EGG PRODUCTION 8 PERCENT BELOW YEAR AGO

Egg production during June, totaled **10.9** million eggs (30,278 cases) 8 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 June 2001 was 591,000 compared with 610,000 a year ago and 595,000 during May 2001. The average rate of lay was 1,844 eggs per 100 layers (61.5 percent lay rate) compared with 1,934 (64.5 percent) a year ago. Cumulative production for the first half of 2001 was 67.1 million eggs, 9 percent less than during the same period in 2000.

U.S. EGG PRODUCTION

U.S. egg production totaled 6.97 billion during June 2001, up 3 percent from last year. Production included 5.89 billion table eggs and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 67.0 million were egg-type. The total number of layers during June 2001 averaged 332 million, up 2 percent from the total average number of layers during June 2000. June egg production per 100 layers was 2,099 eggs, slightly above the 2,093 eggs in June 2000.

June 2001 contained 21 weekdays and five Saturdays, compared to 22 weekdays and four Saturdays in June 2000.

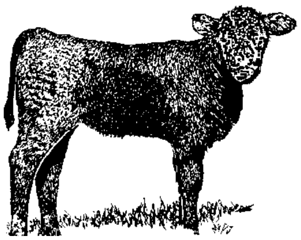
All layers in the U.S. on July 1, 2001 totaled 331 million, up 2 percent from a year ago. The 331 million layers consisted of 272 million layers producing table or commercial type eggs, 56.5 million layers producing broiler-type hatching eggs, and 2.84 million layers producing egg-type hatching eggs. Rate of lay per day on July 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 6.53 billion eggs during June 2001, up 3 percent from June 2000. The average number of layers during June, at 311 million, was up 2 percent from a year earlier.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	June 2000	May 2001	June 2001	June 2000	June 2001	June 2000	June 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	150	147	145	1,965	1,899	2.9	2.7	18.2	17.1
Honolulu	460	448	446	1,944	1,830	8.9	8.2	55.3	50.0
State	610	595	591	1,934	1,844	11.8	10.9	73.5	67.1

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



JUNE MARKETINGS 42 PERCENT BELOW YEAR AGO

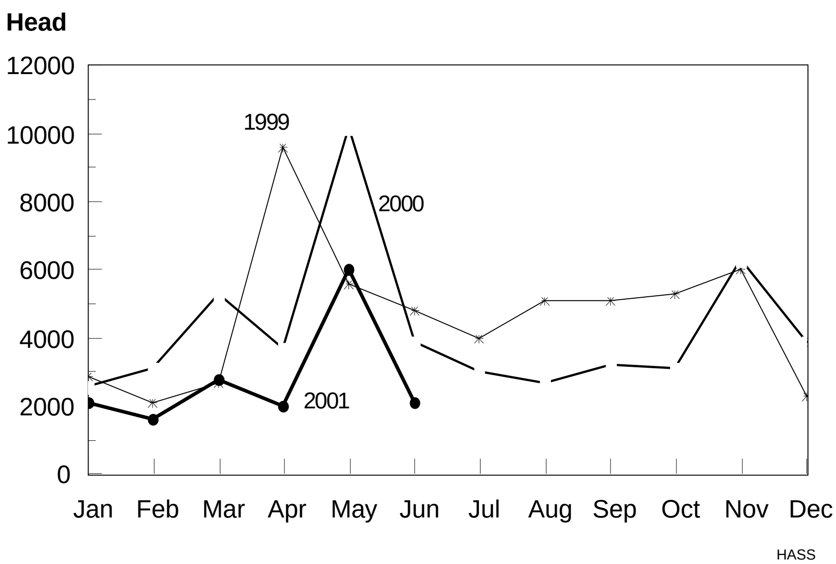
Cattle marketings during June 2001 totaled 3,200 head, compared with 5,500 a year ago and 7,000 during May 2001. Declines in both out-shipments and cattle for local slaughter accounted for the 42 percent drop in marketings compared with June 2000. Cattle and calves shipped out-of-State totaled 2,100 head compared with 3,900 a year earlier and 6,000 during May. Year-to-date marketings for the first half of 2001 was 23,500 head, 38 percent less than a year earlier; while cumulative out-shipments for the same period were off 43 percent to 16,500 head.

Cattle Marketings, State of Hawaii, June 2001

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
	- - - - head							- - - -	- - pounds - -	
June	5,500	3,200	1,000	1,000	2,900	1,100	3,900	2,100	460	370
Year-to-date [4]	37,700	23,500	16,500	9,400	12,300	7,100	28,800	16,500	400	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	
7-14-01	—	—
7-28-01	—	—
	from Sioux Falls	
7-14-01	69.00	70.75
7-28-01	72.00	72.00

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

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COMMERCIAL BEEF PRODUCTION 25 PERCENT BELOW A YEAR AGO

Commercial beef production (local slaughter) during June 2001 totaled 621,000 pounds, compared with 831,000 pounds a year earlier. Commercial kill for June 2001 totaled 1,100 head, 500 fewer than a year ago. Average live weight per head, at 1,005 pounds, was 9 percent heavier than a year ago. Cumulative production for the first 6 months of 2001 was 3.8 million pounds, 17 percent less than during the same period in 2000.

U.S. BEEF PRODUCTION

Beef production, at 2.27 billion pounds, was 4 percent below the previous year. Cattle slaughter totaled 3.12 million head, down 4 percent from June 2000. The average live weight was down 7 pounds from the previous year, at 1,198 pounds.

PORK PRODUCTION 7 PERCENT BELOW A YEAR AGO

Commercial pork production during June 2001 totaled 470,000 pounds, compared with 504,000 pounds a year ago. Total hog kill of 3,000 head was 200 less than a year ago. Average live weight per head, at 206 pounds, was 6 pounds lighter than June a year ago. Cumulative production for the first 6 months of 2001 was 2.6 million pounds, 3 percent less than during the same period in 2000.

U.S. PORK PRODUCTION

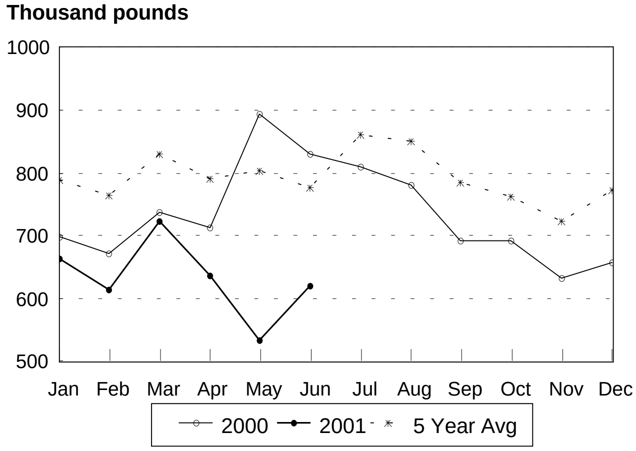
Pork production totaled 1.46 billion pounds, down 5 percent from the previous year. Hog kill totaled 7.48 million head, 6 percent below June 2000. The average live weight was 1 pound above the previous year, at 263 pounds.

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

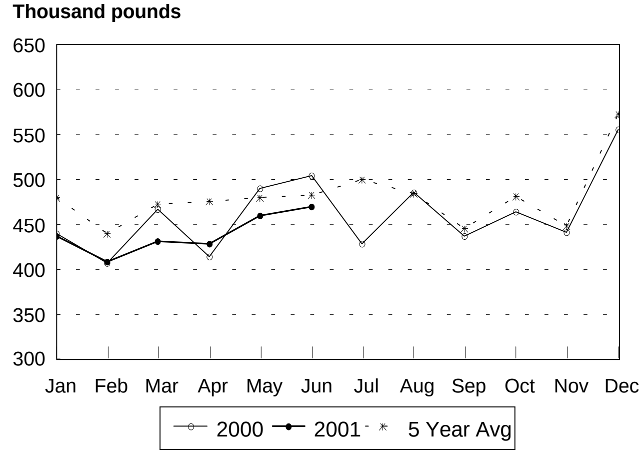
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2000	2001	2000	2001	2000	2001	2000	2001
			pounds		1,000 pounds			
Cattle								
June	1,600	1,100	926	1,005	1,513	1,131	831	621
Year-to-date	8,900	6,900			8,279	6,904	4,545	3,790
Hogs [3]								
June	3,200	3,000	212	206	672	627	504	470
Year-to-date	17,700	17,300			3,628	3,514	2,721	2,636

[1] Excludes non-inspected farm slaughter and live cattle and calves shipped out-of-state; includes custom slaughter.
[2] Estimates based on 54.9 dressing percentage for cattle; 75.0 dressing percentage for hogs.
[3] Excludes non-inspected farm slaughter; includes custom slaughter and live hog inshipments from the mainland for slaughter.

Commercial Beef Production, State of Hawaii 2001, with comparisons



Commercial Pork Production, State of Hawaii 2001, with comparisons



PASTURE AND LIVESTOCK CONDITION, JULY 1, 2001

Hawaii County

Hilo and Puna: All rain gages registered rainfall just above 50% of normal, except for the Glenwood gage which recorded rainfall over 100% of normal. The drier than normal period accompanied by warm, sunny days was beneficial to pasture development. Pastures were in fair to good condition. Forage supplies were adequate and new grass growth was good. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: Coastal pastures around South Point were dry and in poor condition, while pastures from Waiohinu through Pahala were in fair condition. Light rainfall helped to maintain pasture conditions at the higher elevations. Insect infestation was on the increase at the lower elevations. Stock water supply levels were adequate, but getting low in some areas. Cattle and calves were in fair to good condition. Minimal supplements were fed.

Kona: Rainfall of 5 to 7 inches in Kona was much appreciated, and although these totals were still below normal, they benefitted pasture development. Pasture conditions ranged from fair to good. Some North Kona pastures were in need of more moisture, while several coastal pastures continued dry. Stock water supplies were adequate. Cattle and calves were in fair to good condition. Supplemental feeding was reduced.

Kohala: Dry conditions prevailed throughout much of the Kohala district. The exception was Waikii and areas along the eastern slopes of the Kohala mountains and Mauna Kea. As a result, pastures throughout the saddle area were dry with limited forage. Most lower elevation and leeward facing pastures continued to be very dry and in poor condition. The continued dry weather kept many of these pastures barren with only sparse vegetation and below normal carrying capacities. Cattle and calves were in fair to good condition. Feeding supplements continued in the drier areas.

Hamakua: Pastures along the upper elevation slopes of Mauna Kea continued dry and short of feed. Good shower activities along some mid to lower elevations pastures helped to maintain pastures in fair to good condition. Forage supplies were light and new grass growth slow among other pastures. Hauling water was necessary to offset low supply levels in some areas. The condition of cattle and calves ranged from fair to good.

Honolulu County

Some improvement in pastures occurred during June due to generally above normal rainfall. Pasture conditions ranged from poor to good. Much of the month's rainfall occurred during the early and latter parts of the month. The south end of the island along with leeward sectors was the driest. Year-to-date rainfall in agricultural areas continued well below normal, with Kahuku reporting the most rainfall at 69% of normal. Cattle and calves were in poor to fair condition. Supplements were fed to maintain livestock.

Kauai County

Heavy rainfall during the month resulted in above normal rain gage readings for all stations on the island except in Hanapepe. Pastures improved to fair to good condition with good new grass growth. Most cattle and calves were in good condition. Year-to-date rainfall totals ranged from 47% to 81% of normal.

Maui County

Most windward locations received sufficient rainfall to help maintain minimal pasture condition. Even Ulupalakua received almost an inch and a half of rainfall to help maintain forage supplies at the upper elevations. The Kihei area was again the driest area on the island, resulting in poor pasture condition at the lower elevations of Ulupalakua. 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. 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.***

U.S. AGRICULTURAL OUTLOOK

Dry Weather Forcing Early Movement Off Grass

Intermittent drought has been a problem across most cattle areas since 1995/96. The 2000 drought was broad and covered many of the major cow-calf production areas. Drought persisted in the Pacific Northwest and Southwest Texas over the winter. With already reduced forage conditions and the worst winter since 1992/93, hay stocks were pulled down sharply. Drought conditions have expanded in both areas since spring and, with strong feeder cattle prices, many producers have sold calves early. In addition, large numbers of replacement heifers that likely would have been bred this year were also sold as producers attempt to maintain their cow herds with limited forage supplies.

Forecasts off the mid-year inventories and the August ***Crop Production*** reports will be updated in the August 10 ***World Agricultural Supply and Demand Estimates*** and the August 29 ***Livestock, Dairy and Poultry Situation and Outlook*** reports.

Cattle Inventory Decline Continues

Expanding drought and poor forage conditions almost certainly will extend the present cattle cycle through at least 2002. This cycle began in January 1991 at 96.4 million cattle; the inventory rose to 103.5 million head on January 1996 and had declined to 97.3 million head on January 1, 2001. However, the end of this cattle cycle has not been reached as the midyear cattle report indicates that even initial herd expansion plans have been put off until at least 2002. If this scenario prevails, heifer calves from this year's calf crop would be bred in 2002, to calve in 2003 and begin to raise the inventory and beef supplies in 2004. Improving grazing conditions and rebuilding forage stocks will be the key to expansion.

Although the July 1 cattle inventory was down half a million head from a year-earlier, the trend remains downward and may well be accelerating with the expanding dry conditions. Total cow and beef inventories were down only modestly from a year earlier, while dairy cow inventories were down 1 percent. However, beef and dairy cow replacement heifers were down 2 and 3 percent, respectively. As has occurred for the past couple of years, the number of heifers on feed are up sharply, continuing an upward trend, and indicating larger numbers of yearling heifers are being placed on feed rather than entering the breeding herd. The 2001 calf crop was estimated at 38.4 million head, down 1 percent from a year earlier.

Feeder Cattle Supplies Continue To Decline

Supplies of stocker-feeder cattle outside feedlots on July 1 were down 2 percent from a year earlier. Large numbers of calves that normally would have been placed on feed in late summer through early fall as forage conditions decline seasonally have already been placed on feed. In addition, first-half veal slaughter was down 13 percent as more dairy steer calves are priced into feedlots, particularly bob veal slaughter calves.

Large On-Feed Inventories Continue

Cattle on feed inventories in the 7-monthly reporting States with feedlots over 1,000 head of capacity were record-large in June, up 6 percent from the large year-earlier inventory and up 13 percent from 1999. Numbers placed in each weight category were above year-earlier levels. Heifers on feed rose 8 percent, while steers on feed rose 4 percent. Net-feedlot placements in June were up 18 percent from a year earlier and up 11 percent from the 1999 record. Placements fell below year-earlier levels in February, March, and April, as producers expected a seasonal improvement in grazing conditions. However, placements in May and June were record-large as forage conditions worsened and spread beyond the Pacific Northwest and Texas. Unfortunately, conditions continued to worsen in July.

Slaughter Weights Rising Rapidly

Slaughter weights, after dropping rapidly due to the extremely rough winter conditions, are rising more than seasonally as feeding conditions improve. Although cattle on feed inventories on January 1 were up 3 percent from a year earlier, poor feeding conditions resulted in first-half steer and heifer slaughter dropping more than 5 percent. Steer slaughter weights reached the seasonal low in April, while heifer lows were reached in May. The largest year to year declines occurred in April, with steer and heifer weights down 14 and 13 pounds, respectively. By June steer weights were down only 7 pounds from a year earlier, while heifer weights were down only 4 pounds.

First-half beef cow slaughter rose nearly 9 percent, while dairy cow slaughter was up 1.5 percent. Unless moisture and forage conditions improve, movements off grass will continue to result in larger cow slaughter. Beef production estimates will be increased in the next round of reports to reflect the slower than expected pace of feedlot marketings in the first half and larger number of cattle placed on feed in June and likely in July.

Retail Prices Continue Record Pace

Retail prices for Choice beef rose modestly in June after leveling out in April-May. Prices are expected to decline as slaughter numbers and weights increase in the second half of the year. Pork production will also be rising seasonally; thus the meat complex will come under pressure to lower prices to move large quantities. Beef exports have been held down in part due to the reduced slaughter, particularly of higher quality beef as the domestic hotel-restaurant market bid sharply higher prices for the reduced supply. As supplies increase and Choice boxed beef prices decline, they are already down from the near $130 per cwt averages through much of the first half of the year, beef exports are expected to rise, helping to support boxed beef prices.

Beef Exports are Expected to Improve Later this Year and Next

The sharp fall-off in beef exports that began in February continues, with second-quarter exports expected to be 5-6 percent below last year. Choice U.S. retail beef prices averaged 12 percent higher while the won and yen depreciated 12-15 percent. These factors caused much higher prices for U.S. beef on the Japanese and Korean markets, and a strong substitution towards pork and lower-priced Australian beef. Sluggish economic conditions in Asia have also reduced demand for beef.

Year-over-year exports are expected to increase marginally in the fourth quarter as beef prices fall. Asian beef inventories have been significantly reduced during the first half of this year, so stronger demand is expected to translate into increased U.S. beef exports next year. Currently, beef exports are expected to increase 4-5 percent next year, with the strongest increases coming in the first and second quarters. Strengthening U.S. prices next year are expected to moderate increased export demand.

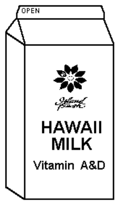
Live Cattle Imports Expected To Increase 6-7 Percent

Live cattle imports are expected to increase again this year from Mexico as continued dry weather and poor financial situation of Mexican cattle ranchers create supply-induced shipments. High feeder cattle prices in the United States are also expected to remain attractive to Mexican cattle producers. However, supplies of calves in Mexico are expected to limit feeder cattle imports to about 3 percent above last year’s level, as compared with the 28-percent increase last year.

After declining marginally last year, imports of cattle from Canada are expected to increase 12 percent this year. About 70-80 percent of Canadian imports are destined for slaughter, and increasing cattle numbers in Canada have begun to challenge increased Canadian slaughter capacity. Imports from Canada began to increase late last year, as that country pulled ahead of the United States in herd rebuilding. Furthermore, feedlot placements have been increasing in Canada, portending a sharp increase in the number of animals available for market in the last half of the year.

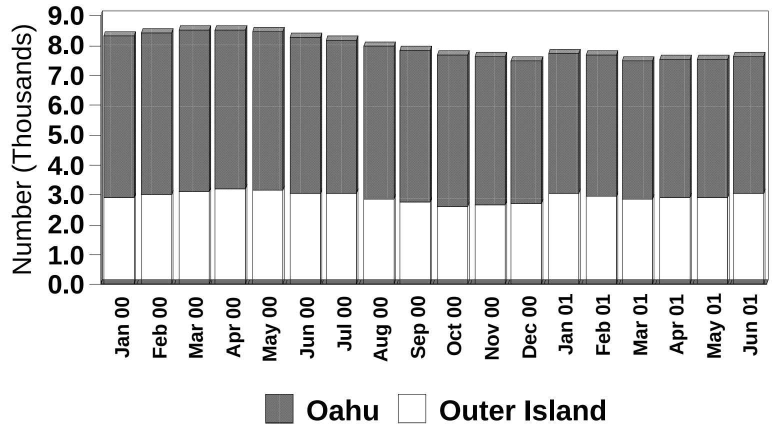
Source: ***Livestock, Dairy and Poultry Situation and Outlook, July 25, 2001, Economic Research Service, United States Department of Agriculture.***

OUTPUT FOR JUNE, FIRST HALF OF 2001 DOWN



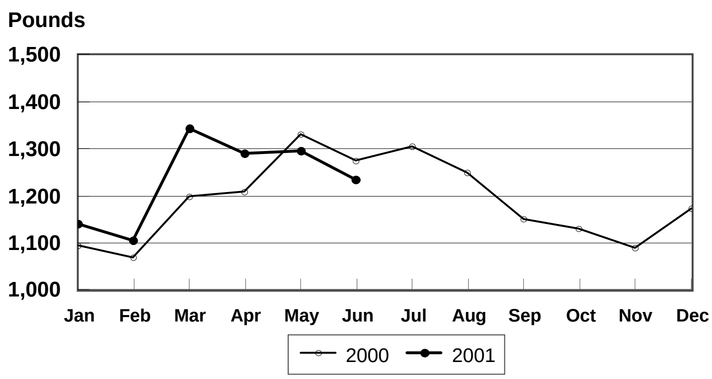
Hawaii's dairy cows produced **9.5** million pounds of milk in June compared to 10.6 million pounds produced during June 2000 and 9.7 million pounds produced in May 2001. The cow inventory, both dry and in milk, totaled 7,700 head, down 600 from June last year but up 200 from May of this year. In June, about 60 percent of the cows were located on Oahu with the rest on Hawaii Island. Output per cow during the month averaged 1,235 pounds, 40 pounds lower than June a year ago and 60 pounds below May. Milk production for the first six months of 2001 totaled 56.5 million pounds, 7 percent below the same period last year.

Milk Cows
State of Hawaii, 2000-2001



HASS

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



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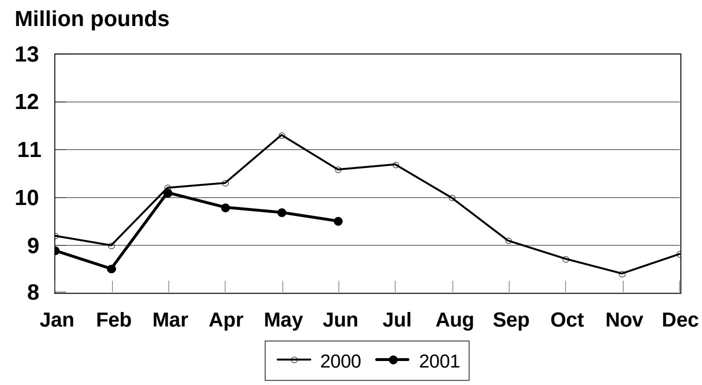
Total Milk Production,
State of Hawaii, 2000-2001



HASS

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	June 2000	May 2001	June 2001	June 2000	June 2001	June 2000	June 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii/Kauai	3,090	2,930	3,070	1,140	985	3,525	3,025	20,160	17,410
Honolulu	5,200	4,600	4,600	1,360	1,410	7,080	6,485	40,420	39,170
State	8,300	7,500	7,700	1,275	1,235	10,600	9,500	60,600	56,500

[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.

U.S. PRODUCTION DOWN 0.5 PERCENT

Milk production in the 20 major States during June totaled 12.0 billion pounds, down 0.5 percent from June 2000. May revised production, at 12.6 billion pounds was down 0.9 percent from May 2000. The May revision represented an increase of 0.2 percent or 24 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,552 pounds for June, 5 pounds above June 2000. The number of cows on farms in the 20 major States was 7.75 million head, 61,000 head less than June 2000 but 2,000 head more than May 2001.

Average farm prices, State of Hawaii, June 2001

Commodity		June 2000	May 2001	June 2001
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	82.0	78.0	78.0
	- (live weight equivalent)	(45.0)	(42.8)	(42.8)
Cows [1]	*- dressed weight*	51.5	51.5	52.5
	- (live weight equivalent)	(28.3)	(28.3)	(28.8)
Market hogs [1 2]	*- dressed weight*	109.0	114.0	114.0
	- (live weight equivalent)	(81.8)	(85.5)	(85.5)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		24.80	25.40	25.80
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		86.0	85.5	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.