HAWAII AGRICULTURAL
STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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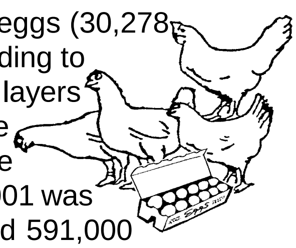
JULY EGG PRODUCTION 11 PERCENT BELOW YEAR AGO



Egg production during July, totaled **10.9** million eggs (30,278 cases) 11 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 July 2001 was 564,000 compared with 603,000 a year ago and 591,000 during June 2001. The average rate of lay was 1,933 eggs per 100 layers (62.4 percent lay rate) compared with 2,023 (65.3 percent) a year ago. Cumulative production for the first seven months of 2001 was 78.0 million eggs, 9 percent less than during the same period in 2000.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.18 billion during July 2001, up 2 percent from last year. Production included 6.09 billion table eggs and 1.10 billion hatching eggs, of which 1.03 billion were broiler-type and 66.0 million were egg-type. The total number of layers during July 2001 averaged 332 million, up 2 percent from the total average number of layers during July 2000. July egg production per 100 layers was 2,165 eggs, slightly below the 2,169 eggs in July 2000.

July 2001 contained 22 weekdays, one holiday and four Saturdays, compared to 21 weekdays, one holiday and five Saturdays in July 2000.

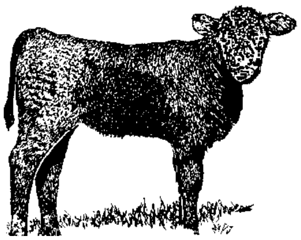
All layers in the U.S. on August 1, 2001 totaled 332 million, up 2 percent from a year ago. The 332 million layers consisted of 273 million layers producing table or commercial type eggs, 55.9 million layers producing broiler-type hatching eggs, and 2.77 million layers producing egg-type hatching eggs. Rate of lay per day on August 1, 2001, averaged 69.8 eggs per 100 layers, down slightly from the 70.1 eggs a year ago.

Laying flocks in the 30 major egg producing States produced 6.72 billion eggs during July 2001, up 2 percent from July 2000. The average number of layers during July, at 311 million, was up 2 percent from a year earlier.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	July 2000	June 2001	July 2001	July 2000	July 2001	July 2000	July 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	154	145	139	2,024	2,000	3.2	2.8	21.4	19.9
Honolulu	449	446	425	2,012	1,913	9.0	8.1	64.3	58.1
State	603	591	564	2,023	1,933	12.2	10.9	85.7	78.0

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



JULY MARKETINGS OFF 39 PERCENT FROM YEAR AGO

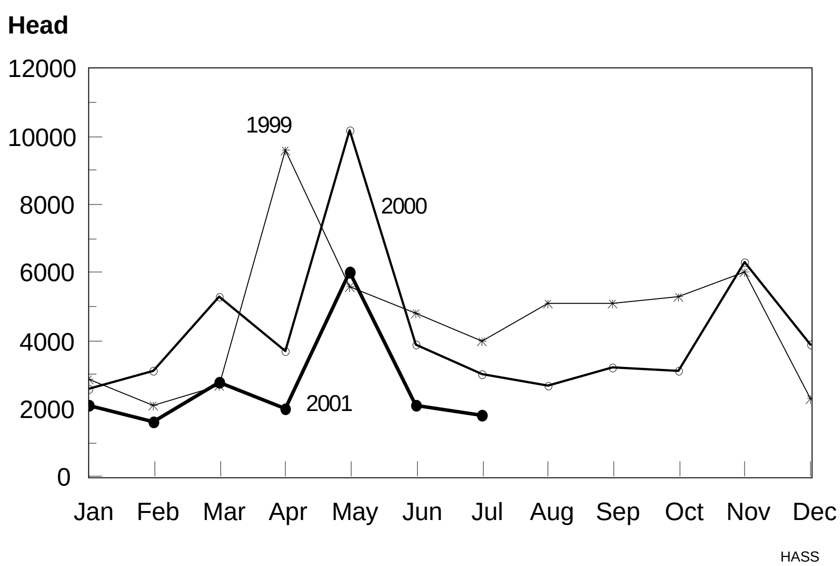
Cattle marketings during July 2001 totaled 2,800 head, compared with 4,600 a year ago and 3,200 during June 2001. Declines in both out-shipments and cattle for local slaughter accounted for the 39 percent drop in marketings compared with July 2000. Cattle and calves shipped out-of-State totaled 1,800 head compared with 3,000 a year earlier and 2,100 during June. Year-to-date marketings for the first seven months of 2001 was 26,400 head, 38 percent less than a year earlier; while cumulative out-shipments for the same period were off 42 percent to 18,400 head.

Cattle Marketings, State of Hawaii, July 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	
July	4,600	2,800	1,800	1,000	1,200	800	3,000	1,800	380	430
Year-to-date [4]	42,300	26,400	18,300	10,400	13,500	7,900	31,800	18,400	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		
8-11-01	—	—
8-25-01	—	—
from Sioux Falls		
8-11-01	69.25	69.25
8-25-01	70.47	70.47

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

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COMMERCIAL BEEF PRODUCTION DOWN 32 PERCENT FROM YEAR AGO

Commercial beef production (local slaughter) during July 2001 totaled 551,000 pounds, compared with 809,000 pounds a year earlier. Commercial kill for July 2001 totaled 1,000 head, 600 fewer than a year ago. Average live weight per head, at 961 pounds, was 2 percent heavier than a year ago. Cumulative production for the first 7 months of 2001 was 4.3 million pounds, 19 percent less than the same period in 2000.

U.S. BEEF PRODUCTION

Beef production, at 2.18 billion pounds, was 1 percent below the previous year. Cattle slaughter totaled 2.94 million head, down 1 percent from July 2000. The average live weight was 1,216 pounds, down 4 pounds from the previous year.

PORK PRODUCTION 7 PERCENT ABOVE A YEAR AGO

Commercial pork production during July 2001 totaled 458,000 pounds, compared with 428,000 pounds a year ago. Total hog kill of 3,100 head was 400 more than a year ago. Average live weight per head, at 198 pounds, was 10 pounds lighter than July a year ago. Cumulative production for the first seven months of 2001 was 3.1 million pounds, 2 percent less than the same period in 2000.

U.S. PORK PRODUCTION

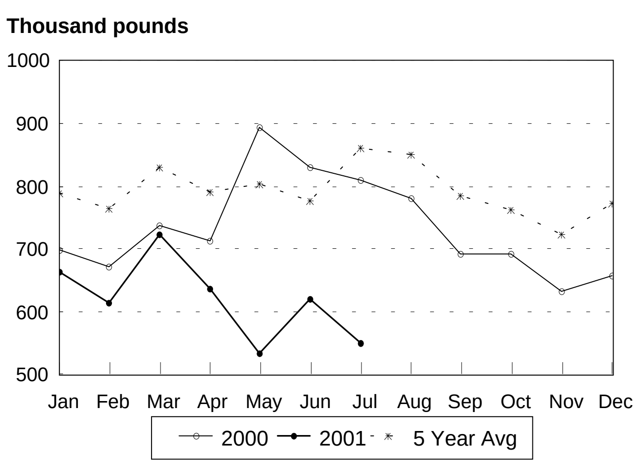
Pork production totaled 1.43 billion pounds, up 2 percent from the previous year. Hog kill totaled 7.45 million head, 1 percent above July 2000. The average live weight was 260 pounds, 1 pound above the previous year.

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

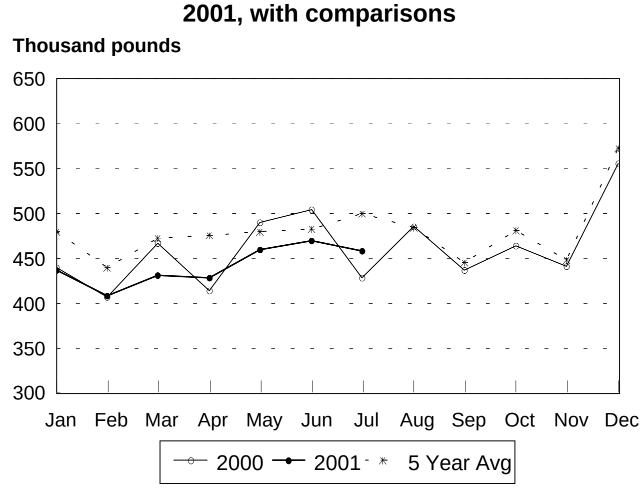
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2000	2001	2000	2001	2000	2001	2000	2001
			- - - - - - pounds - - - - - -		- - - - - - - - - - - - 1,000 pounds - - - - - - - - - - - -			
Cattle								
July	1,600	1,000	940	961	1,473	1,003	809	551
Year-to-date	10,500	8,000			9,752	7,907	5,354	4,341
Hogs [3]								
July	2,700	3,100	208	198	570	610	428	458
Year-to-date	20,500	20,400			4,198	4,124	3,149	3,093

[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, AUGUST 1, 2001

Hawaii County

Hilo and Puna: Most rain gage stations in the districts recorded rainfall in the 50% to 80% range, with only the Glenwood gage recording rainfall totals above 100% of normal. The combined drier than normal weather, and warm, and sunny days were actually 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: Very dry conditions prevailed, as rain gage recordings indicated that this was the driest sector on the island with rainfall totals at 14% of normal for both stations. South Ka'u pastures were dry and in poor condition. Higher elevation pastures faired slightly better, but forage supplies were light. Insect infestation was on the increase. Stock water supplies were getting low in some areas. Cattle and calves were in fair to good condition. Minimal supplements were fed.

Kona: Rainfall, around 70% of normal, in the Central Kona area was beneficial to pasture development, with Kainaliu receiving 117% of normal totals. Most North Kona pastures received only light showers and were in fair condition, and the dry conditions slowed forage growth. In the coastal areas, pastures remained very dry and short of forage. Stock water supplies were adequate. Cattle and calves were in fair to good condition. Supplemental feeding was still occurring in the drier areas.

Kohala: Variable conditions existed throughout the Kohala district. Most windward, upper level pastures received sufficient rainfall to provide good forage growth. Leeward and lower elevation pastures on the other hand remained generally dry and short of feed. Rainfall ranged from a high of 393% of normal at Waikii to a low of 18% at the Kahua Ranch rain gage. As a result, most leeward facing pastures were dry with only limited forage, while lower elevation coastal pastures remained barren, with only sparse vegetation. Cattle and calves were in poor to good condition. Stock water supplies were adequate. Feeding supplements continued in the drier areas.

Hamakua: Near normal rainfall throughout the district provided adequate moisture to benefit pasture development. Good grass growth occurred in most areas, but grass supplies were still light in some of the previously drier areas. Water hauling was still necessary to offset low supply levels in some areas. The condition of the cattle and calves ranged from fair to good.

Honolulu County

In general, pasture conditions ranged from poor to fair. Below normal rainfall accounted for dry conditions during July. Most windward and central sectors received rainfall at 50% of normal, while most southern and leeward sectors had less than 50% of normal rainfall. Cattle and calves were in poor to fair condition. Supplements were being fed to maintain livestock.

Kauai County

Generally, dry conditions prevailed as more normal summer-like weather persisted during July, a reversal from the more wet conditions which had occurred during June. Rainfall totals ranged from 32% of normal in Lihue to 88% of normal at Kapahi. Timely rainfall provided some areas with good new grass growth, however, most areas only had fair new growth as dry conditions prevailed. Pastures were in fair to good condition. Most cattle and calves were in fair to good condition.

Maui County

On the average Maui county continues to be the driest in the State, with rainfall for the year ranging from 10% to 61% of normal. Most rain gages recorded rainfall amounts below 40% of normal. Areas receiving the largest percent of normal rainfall were Molokai and the northeast sector of Maui, with rainfall totals above 100% of normal, however, areas from Haiku to Hana still received the greatest amounts. In general, most windward pastures were in fair to good condition, while most leeward pastures were in fair to poor condition. The Kihei area for the fourth month in a row recorded no rainfall. Cattle and calves were in fair to good condition, but supplements were being fed in areas which 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.*

Producers' Returns Up in First-Half

Prices for milk, cattle, hogs, and broilers rose in first-half 2001 and feed costs declined boosting producers' returns. Milk and beef production declined, while pork and broiler production rose slightly. However, strong broiler and pork exports reduced domestic supplies below a year ago.

Weather Extremes Continue to Impact Beef Production

Poor weather conditions reduced beef supplies this past winter and spring, resulting in sharply higher fed cattle prices and record retail beef prices as competition for the reduced supply of beef increased. Although cattle-on-feed inventories at the beginning of the year were 3 percent above a year earlier, first half beef production was 5 percent lower as both marketings and slaughter weights declined. Steer and heifer slaughter weights were on a record-setting path until December when winter weather conditions began having an impact. In March, weights for steers and heifers were 17 and 16 pounds below a year earlier, respectively. However, with improved weather and feeding conditions slaughter weights were again near to above last year's pace in August. Drought conditions since spring have also pushed more cattle into feedlots, which combined with compensatory weight gains and a slow marketing pace, will add to second-half fed beef supplies.

Beef Cow Slaughter Continues High

Beef cow slaughter has risen sharply over the past couple of months. Unless rains begin soon enough to generate pasture for fall and winter grazing, cow slaughter will increase further. Any additional increase in beef cow slaughter in 2001 will result in even sharper declines in beef production in the future. Beef production is revised upward in second half 2001 as more cattle have been placed into feedlots. Many of these cattle normally would not have been placed on feed until this fall or late winter. Steer and heifer slaughter weights again are at record levels as feedlot conditions are much improved from the extremes of winter and early spring. However, beef production in both July and August was below year-earlier levels as cattle remain on feed longer. With larger on feed inventories, second-half marketings in late summer through mid-fall should rise above year-earlier levels.

Cattle on Feed Inventories Up 7 Percent

Drought conditions throughout much of the Southern Great plains and Pacific Northwest have again resulted in large numbers of cattle being pushed into feedlots. In particular, large numbers of heifers again have been placed on feed rather than entering the breeding herd. In addition, large numbers of this year's calf crop are also being forced into feedlots due to poor forage prospects. Net placements in June were 20 percent above a year earlier, while July placements were up 4 percent. Poor moisture conditions through most of August are almost certain to result in another month of large placements. However, large placements are likely behind us as declining inventories since 1996 and another smaller calf crop this year should result in declining placements in late summer through fall.

If moisture conditions, which began to improve in some areas in late August, continue to improve and fall-winter grazing prospects are most favorable, prospects for beef supply reductions in 2002 will be more certain. Prospects for good winter wheat grazing would particularly result in strong demand for the limited supply of stocker-feeder cattle supplies outside feedlots. High calf prices combined with improved forage conditions could trigger stronger than expected heifer retention and herd expansion, further reducing beef supplies beginning in second half 2002.

Large Beef-Competing Meat Supplies To Hold Down Prices

Larger supplies of fed beef and seasonally large pork supplies likely will result in declining beef prices through late fall. Prices for Choice retail beef likely peaked in June at a record $3.48 a pound, before declining modestly in July. Although prices are likely to decline this fall, they are expected to remain well above last year's $3.11 second-half average. Declining prices and larger supplies of higher quality beef are likely to support stronger exports in the second half of this year. Second-quarter beef exports were 16 percent below a year earlier as the domestic market outbid a soft international market for the lower supply of higher quality beef. Lower U.S. prices, and likely reduced stocks in major export markets are expected to limit price declines as beef supplies rise through mid-fall.

Late summer and fall rains and forage availability will determine the beef flows in 2002. Present large on-feed inventories and record weight trends will hold up beef supplies through first quarter 2002. Normal weather conditions this fall and winter and some modest heifer retention is expected to result in total beef production declining nearly 4 percent in 2002, with the largest declines occurring in the second half of the year. Fed cattle prices are likely to average near $80 per cwt in 2002, up from the mid-$70's this year. Feeder cattle prices are expected to continue strong over the next several years as supplies decline. Larger supplies of competing meats in 2002 will hold down beef price gains and consequently feeder cattle price gains. However, cyclically this is a period when cattle feeders suffer red ink, while cow-calf operators are in the black, and weather permitting, can begin to retain heifers for expansion.

U.S. Pork Exports Surge

The United States is expected to export more than 1,543 million pounds of pork this year, and slightly less in 2002 (1,415 million). The expected exports for this year has been driven by larger than expected shipments to Japan. U.S. pork exports in the first half of 2001 ran 34 percent ahead of last year, primarily due to very large shipments of fresh and frozen pork cuts to Japan. High beef U.S. prices, the foot and mouth disease (FMD) outbreak in Europe, and lower domestic hog slaughter caused Japanese importers contracted for large quantities of pork from the United States, Denmark, and Canada. Imports were so large that the Safeguard threshold of 183,850 metric tons (product-weight equivalent) was exceeded in June. The Safeguard is a WTO-sanctioned means of protecting Japanese pork producers from import surges. On August 1, the Japanese Government imposed the Safeguard, which increased the minimum price for all pork cuts imported into Japan by 24.6 percent. The Safeguard will be in place until March 31, 2002, the end of the Japanese fiscal year.

U.S. Pork Imports Weaker

The United States is expected to import 916 million pounds of pork this year and 960 million in 2002. U.S. pork imports were 12 percent lower than a year ago during January-June. Imports from both Canada and Denmark declined as both countries increased exports to Japan. The extent to which Japanese pork imports slow down as a result of the Safeguard will strongly influence U.S. pork imports in the second half of 2001.

Live Hog Imports Expected To Be Record Large

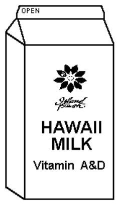
Live hog imports are forecast at 5.3 million head for both 2001 and 2002, compared with 4.36 million head in 2000. The rapid evolution of both a feeder pig export sector in Canada and a hog finishing sector in Corn Belt States traditionally given to farrow-to-finish operations, has been the primary factor in increased import forecasts. Continuing expectations for low feed prices and slow expansion of Canadian finishing operations are also contributing to the increased forecast. First-half 2001 live hog imports from Canada were over 1.4 million head, 57 percent of which were feeder animals.

Hog Slaughter Lagging Below Expectations

Hog slaughter in the third quarter has lagged behind expectations based on the December-February pig crop. In addition, dressed weights are also below expectations due to the prolonged heat wave in the central part of the Nation. Due to lower than expected production, prices are running higher than previously forecast. Hog prices in July and August will likely average about $53 per cwt and with breakeven costs in the mid to high $30's, producers returns are very favorable.

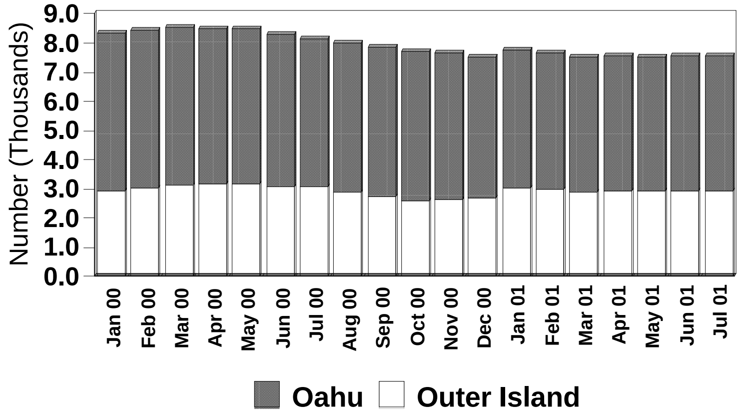
Source: ***Livestock, Dairy and Poultry Situation and Outlook, August 29, 2001, Economic Research Service, United States Department of Agriculture.***

JULY OUTPUT LOWER



Hawaii's dairy cows produced **9.3** million pounds of milk in July compared to 10.7 million pounds produced during July 2000 and 9.5 million pounds produced in June 2001. The cow inventory, both dry and in milk, totaled 7,600 head, down 600 from July last year but unchanged from June of this year. Output per cow during the month averaged 1,225 pounds, 80 pounds lower than July a year ago and 25 pounds below June. Milk production for the first seven months of 2001 totaled 65.8 million pounds, 8 percent below the same period last year.

Milk Cows
State of Hawaii, 2000-2001



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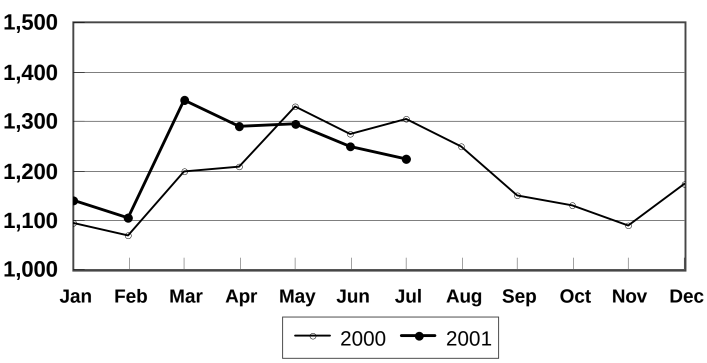
Milk Production Per Cow,
State of Hawaii, 2000-2001



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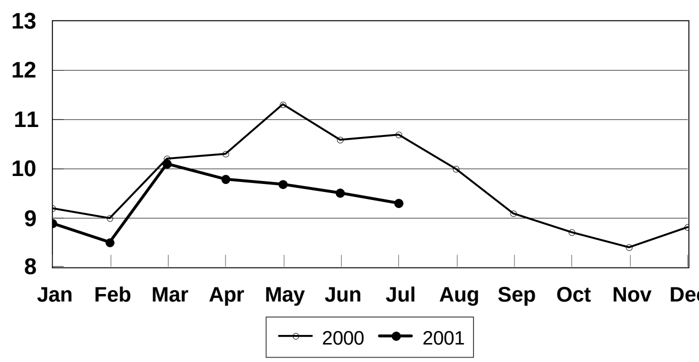
Total Milk Production,
State of Hawaii, 2000-2001



HASS

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	July	June	July	July	July	July	July	Year-to-date	
	2000	2001	2001	2000	2001	2000	2001	2000	2001
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii/Kauai	3,070	2,960	2,960	1,135	1,010	3,480	2,985	23,640	20,395
Honolulu	5,100	4,600	4,600	1,420	1,380	7,230	6,340	47,650	45,510
State	8,200	7,600	7,600	1,305	1,225	10,700	9,300	71,300	65,800

[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 1.2 PERCENT

Milk production in the 20 major States during July totaled 12.1 billion pounds, down 1.2 percent from July 2000. June revised production, at 12.1 billion pounds was down 0.2 percent from June 2000. The June revision represented an increase of 0.3 percent or 34 million pounds from last month’s preliminary production estimate. Production per cow in the 20 major States averaged 1,555 pounds for July, 6 pounds below July 2000. The number of cows on farms in the 20 major States was 7.75 million head, 72,000 head less than July 2000 but unchanged from June 2001.

Average farm prices, State of Hawaii, July 2001

Commodity		July 2000	June 2001	July 2001
		- - - - - - - - - - - - cents per pound - - - - - - - - - - - -		
Range steers and heifers [1]	*- dressed weight*	82.0	78.0	79.0
	- (live weight equivalent)	(45.0)	(42.8)	(43.4)
Cows [1]	*- dressed weight*	51.5	52.5	52.0
	- (live weight equivalent)	(28.3)	(28.8)	(28.5)
Market hogs [1 2]	*- dressed weight*	109.0	114.0	113.0
	- (live weight equivalent)	(81.8)	(85.5)	(84.8)
		- - - - - - - - - - dollars per 100 pounds - - - - - - - - - -		
Milk [3]		25.20	25.80	26.10
		- - - - - - - - - - - - cents per dozen - - - - - - - - - - - -		
Eggs [4]		87.0	85.5	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.