HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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IN THIS ISSUE

Poultry 1
Cattle Marketings 2
Commercial Slaughter 3
Pasture Condition 4
U.S. Agricultural Outlook 5
Milk Production 7
Prices 8

SEPTEMBER EGG PRODUCTION DOWN 11 PERCENT FROM YEAR AGO

Egg production during September, totaled **9.8** million eggs (27,222 cases) 11 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*, and the lowest monthly output since 1960. Fewer layers on hand accompanied by a decline in the average rate of lay accounted for the lower production. The average number of layers on hand during September 2001 was 561,000, compared with 604,000 a year ago and 561,000 during August 2001. The average rate of lay was 1,747 eggs per 100 layers (58.2 percent lay rate) compared with 1,821 (60.7 percent) a year ago. Cumulative production for the first three-quarters of 2001 was 98.2 million eggs, 10 percent less than during the same period in 2000.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.04 billion during September 2001, up 3 percent from last year. Production included 5.99 billion table eggs and 1.05 billion hatching eggs, of which 993 million were broiler-type and 59.0 million were egg-type. The total number of layers during September 2001 averaged 335 million, up 3 percent from the total average number of layers during September 2000. September egg production per 100 layers was 2,104 eggs, slightly above the 2,101 eggs in September 2000.

September 2001 contained 20 weekdays and five Saturdays, compared to 21 weekdays, and five Saturdays in September 2000.

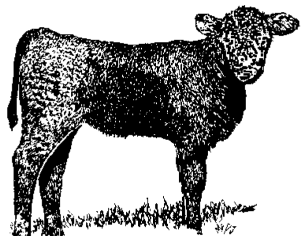
All layers in the U.S. on October 1, 2001 totaled 336 million, up 3 percent from a year ago. The 336 million layers consisted of 278 million layers producing table or commercial type eggs, 55.9 million layers producing broiler-type hatching eggs, and 2.63 million layers producing egg-type hatching eggs. Rate of lay per day on October 1, 2001, averaged 69.9 eggs per 100 layers, up 1 percent from the 69.5 eggs a year ago.

Laying flocks in the 30 major egg producing States produced 6.59 billion eggs during September 2001, up 3 percent from September 2000. The average number of layers during September, at 314 million, was up 3 percent from a year earlier.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Sept. 2000	Aug. 2001	Sept. 2001	Sept. 2000	Sept. 2001	Sept. 2000	Sept. 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Thousands - - - - - -			- - - Number - - -		- - - - - - - - - - - Millions - - - - - - - - - - -			
Hawaii/Kauai/Maui	149	143	144	1,881	1,755	2.8	2.5	27.3	25.1
Honolulu	455	418	417	1,812	1,740	8.2	7.3	81.4	73.1
State	604	561	561	1,821	1,747	11.0	9.8	108.7	98.2

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



SEPTEMBER MARKETINGS CONTINUE BELOW YEAR EARLIER

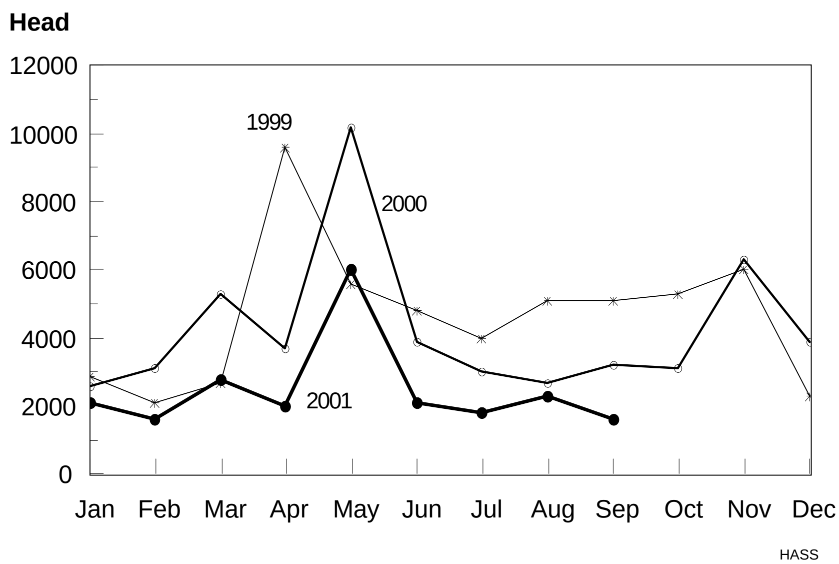
Cattle marketings during September 2001 totaled 2,400 head, compared with 4,500 a year ago and 3,500 during August 2001. Declines in both out-shipments and cattle for local slaughter accounted for the 47 percent drop in marketings compared with September 2000. Cattle and calves shipped out-of-State totaled 1,600 head compared with 3,200 a year earlier and 2,300 during August. Year-to-date marketings for the first nine months of 2001 were 32,300 head, 37 percent less than a year earlier; while cumulative out-shipments for the same period were off 41 percent to 22,300 head.

Cattle Marketings, State of Hawaii, September 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	
September	4,500	2,400	1,800	1,100	1,400	500	3,200	1,600	400	430
Year-to-date [4]	51,000	32,300	21,600	12,800	16,100	9,500	37,700	22,300	400	410

[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		
10-06-01	—	—
10-20-01	—	—
from Sioux Falls		
10-06-01	66.00	65.75
10-20-01	66.25	66.25

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

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COMMERCIAL BEEF PRODUCTION OFF 32 PERCENT FROM YEAR AGO

Commercial beef production (local slaughter) during September 2001 totaled 475,000 pounds, compared with 693,000 pounds a year earlier. Commercial kill for September 2001 totaled 800 head, 500 fewer than a year ago. Average live weight per head, at 1,042 pounds, was 10 percent heavier than a year ago. Cumulative production for the first 9 months of 2001 was 5.5 million pounds, 19 percent less than the same period in 2000.

U.S. BEEF PRODUCTION

Beef production, at 2.12 billion pounds, was 7 percent below the previous year, a record September tonnage. Cattle slaughter totaled 2.81 million head, down 7 percent from September 2000. The average live weight was up 9 pounds from the previous year, at 1,240 pounds.

PORK PRODUCTION DROP 13 PERCENT FROM A YEAR AGO

Commercial pork production during September 2001 totaled 379,000 pounds, compared with 437,000 pounds a year ago. Total hog kill of 2,500 head was 300 less than a year ago. Average live weight per head, at 202 pounds, was 6 pounds lighter than September a year ago. Cumulative production for the first three-quarters of 2001 was 4.0 million pounds, 3 percent less than the same period in 2000.

U.S. PORK PRODUCTION

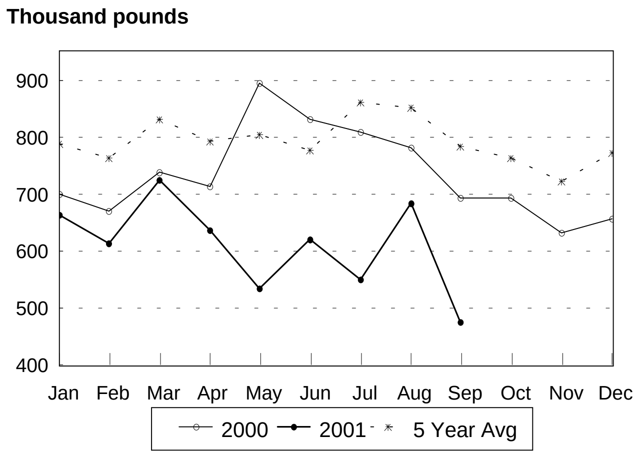
Pork production totaled 1.51 billion pounds, down 3 percent from the previous year. Hog kill totaled 7.81 million head, 4 percent below September 2000. The average live weight was 3 pounds above the previous year, at 262 pounds.

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

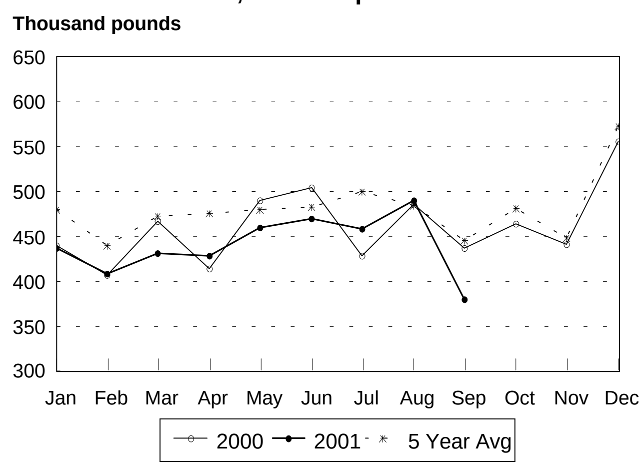
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2000	2001	2000	2001	2000	2001	2000	2001
			- - - - - - pounds - - - - - -		- - - - - - - - - - - - 1,000 pounds - - - - - - - - - - - -			
Cattle								
September	1,300	800	945	1,042	1,262	866	693	475
Year-to-date	13,300	10,000			12,436	10,018	6,827	5,500
Hogs [3]								
September	2,800	2,500	208	202	582	505	437	379
Year-to-date	26,300	26,100			5,428	5,282	4,071	3,962

[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, OCTOBER 1, 2001

Hawaii County

Hilo and Puna: Good rains during September combined with warm temperatures benefitted pasture growth throughout the district. Most pastures were in good condition with an ample supply of forage. Growth among some higher elevation pastures was slowed. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: Pastures throughout the district continued mostly dry and in poor condition. Rainfall totals were below normal, but those pastures that did receive moisture were in fair condition. Yellow sugarcane aphid infestations caused some damage to pastures. Stock water supplies were low, requiring ranchers to haul water. Cattle and calves were in fair to good condition.

Kona: Although rainfall totals in the district continued below normal, rainfall in Central and South Kona were beneficial to pasture development. Forage supplies were generally good with new grass growth making fair to good progress. North Kona pastures, on the other hand, received very little rainfall and continued in poor to fair condition, at best. Cattle and calves were in fair to good condition. Supplemental feeding occurred in the drier areas.

Kohala: In general, most windward pastures received good rains, keeping pastures in fair to good condition, with an adequate supply of feed and improved prospects for new grass growth. Leeward and lower elevation pastures, however, continued dry and short of feed. The prolonged period of drought in this area has resulted in many pastures being short or barren of feed. Rainfall at the Kahua Ranch rain gage registered was only 15 percent of normal. Stock water supplies were adequate. Cattle and calves were in poor to good condition. Calf crop prospects were down. Supplemental feeding continued in the drier areas.

Hamakua: Light but frequent showers kept pastures green and in fair to good condition. Higher elevation pastures of Mauna Kea continued dry and short of feed. Hauling of water was necessary in some areas. The condition of cattle and calves was fair to good, with some livestock on supplemental feed.

Honolulu County

Rainfall totals throughout the island were well below normal during September. The exception was an area around the south-central area of the Koolau mountains which received some heavy rainfall due to an isolated thunderstorm which occurred around the middle of the month. Most pastures, as a result, remained in poor to fair condition. Cattle and calves were in poor to fair condition. Supplements were being fed to maintain the livestock.

Kauai County

Except for a few isolated areas around the northern and eastern portions of Kauai, which received above normal rainfall, rainfall totals were below normal for the month. Pastures receiving adequate rainfall were in fair to good condition, while the other grazing areas continued dry and in poor to fair condition. Most cattle and calves were in fair to good condition. Supplements were being fed.

Maui County

Generally dry conditions prevailed throughout the county, except for a few windward locations which received near normal rainfall totals. Leeward sectors continued mostly dry as rainfall amounts were below 25 percent of normal for the month. Windward pastures were in fair to good condition, while leeward pastures were in fair to poor condition. Cattle and calves were in fair to good condition. Supplements were fed to maintain the cattle.

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.***

Hog Producers' Returns Improved

In 2001, hog prices are expected to average about $47 per cwt, compared with $45 in 2000. The higher hog prices along with relatively low feed prices over the past couple of years have improved producers' returns. Returns in 2000 were drastically improved over the losses suffered in 1998 and 1999. However, producers have responded to the improved returns by continuing to reduce the number of sows farrowing, an unusual response after more than a year of profitability.

In September, producers indicated that they intend to increase the number of sows farrowing by 1 percent in September-November and 3 percent in December-February over the same period a year earlier. Although this would indicate a move toward expansion, in June producers indicated intentions of having about the same number of sows farrow in June-August, but the actual farrowings were 2 percent below a year earlier. Similarly, the first intentions for September-November (reported in June) have been scaled back. This underscores the degree of caution underlying expansion plans.

Larger producers (5,000+ head) account for nearly three fourths of the pig crop, compared with just over a fourth in 1994. To expand production, the large producers face a more complicated process than in the recent past and are much more complicated than for the smaller producers. Expansion processes now include securing large-scale financing, obtaining building and waste management permits from State and local authorities, and hiring and training staff. In contrast, 15 to 20 years ago many smaller producers maintained multi-use buildings for rapid re-population of a hog herd when returns turned favorable. Necessary construction was accomplished without complicated procedures needed to manage waste. Family labor typically provided adequate supplies of skilled herdsmen. The factors that affect expansion patterns today are likely those that are muting the peaks and valleys of the hog cycle.

Hog Inventory Down

The September ***Quarterly Hog and Pigs*** report indicated that producers continued to reduce their hog inventories despite nearly 18 months of favorable returns. The hog inventory has declined for 10 consecutive quarters. During June-September producers reduced their herds 1 percent from a year earlier. The June-August pig crop was down 2 percent from a year earlier as the number of pigs per litter declined slightly. In recent quarters the average number of pigs per litter has shown little change. In the 1990's, the average pigs per litter rose .92. The rise in the average number of pigs per litter is largely to consolidation of the industry into fewer and larger units as well as better management for the industry as a whole. During June-August the average number pigs per litter for small producers (1-99 head) was 7.4 pigs per litter while the average for large producers (5,000+ head) was 8.9 pigs.

Pork Production To Increase

Based on the market hog inventory, pig crops, and farrowing intentions reported in September, commercial pork production in 2001 is forecast at 18.8 billion pounds, down less than 1 percent from 2000. Despite a 1-2 percent lower commercial hog slaughter, heavier slaughter weights will help support production.

Production in 2002 is projected at 19.125 billion pounds, up nearly 2 percent from expected production this year.

In September, the March-May pig crop was revised downward by 374,000 head. As a result, fourth-quarter 2001 pork production is now expected to be 1-2 percent lower than a year ago. Average dressed weights are expected to be about a pound heavier than a year ago.

The 2-percent lower June-August pig crop implies a first-quarter 2002 slaughter of about 24.1 million head; assuming slaughter is about 96 percent of the pig crop (5-year average). Given the upward trend in weights, the average dressed weight is expected to rise about a pound. As a result, pork production in the first quarter will likely be down about 1 percent from a year ago.

Most of the September-November pig crop will be slaughtered in second-quarter 2002. Given producers' farrowing intentions and relatively stable number of pigs per litter, the expected pig crop could be up about 1 percent. The larger pig crop and increased dressed weights are expected to boost pork production in the second quarter nearly 2 percent above a year ago.

Given September producers' farrowing intentions, the December-February pig crop, which will be mostly slaughtered in the third quarter, is expected to be up 3 percent. Using a slaughter rate of 98 percent (the 5-year average), the implied third quarter slaughter is about 24.2 million head. The average dressed weight for the quarter is expected to climb 2 pounds this year. Third-quarter pork production is expected to total about 4.7 billion pounds, up nearly 4 percent from 2001.

Continuing the very modest expansion indicated by producers in September, the March-May 2002 pig crop is expected to be up about 2 percent from 2001. If these expectations are realized, fourth-quarter slaughter would likely total 25.65 million head, with a slight increase in carcass weights expected.

Hog Prices To Decline

Hog prices are forecast to average about $47 per cwt in 2001, up over $2 from 2000. The increase is due to a slight drop in production and a sharp increase in exports. Pork exports in the second quarter rose a whooping 46 percent due to strong demand in Japan, (as traders anticipated higher import prices associated with the safeguard) Mexico, and Canada. However, hog prices are expected to decline in 2002 to $43-$46 per cwt as production increases modestly, exports post a moderate decline, and the economy weakens. The expected 3-percent decline in competing beef production should help support hog prices.

Although hog prices averaged in the low $50's during the second and third quarters this year, increasing pork production, economic uncertainty, and moderating exports are pressuring hog prices in the fourth quarter. Prices are expected to average $42-$44 per cwt. With slightly lower production expected in the first quarter, prices could edge slightly higher than in the fourth quarter. However, rising year-over-year production is expected to keep second and third quarters in the mid- to high $40's per cwt. Rising year-over-year production and seasonal increase in the fourth quarter will likely pressure prices to a quarterly average of near $40 per cwt.

Reduced Placements, Slaughter Hold Up Beef Prices

Amid much uncertainty, the beef sector continues to make progress in reducing cattle on feed inventories. Drought in many areas forced cattle into feedlots earlier this year. Also prospects for improved winter and small grain grazing will result in increased stocker demand for a reduced number of weaned calves this fall. Placements in feedlots with more than 1,000 head of capacity in the 7-monthly reporting States were well above a year earlier in May, June and July as worsening drought conditions forced early weaning of calves and reduced heifer retention for the breeding herd. Reduced feeder cattle supplies outside feedlots and improved grazing prospects resulted in a nearly 10-percent decline in net feedlot placements in August and a 21-percent decline in September. Consequently, the seasonal fall build up in feedlot inventories has been muted; feedlot inventories on July 1 were nearly 6 percent above a year earlier but were up only 1 percent on October 1. On-feed inventories are expected to decline to below year-earlier levels by the first of the year.

Feeder Cattle Supplies Tight

Feeder cattle supplies outside feedlots on October 1 were about unchanged from a last year's low inventory. The decline in supplies began in the mid 1990's with herd liquidation. Supplies were supported to some extent by a 13-percent third quarter decline in calf slaughter. So far this year, calf slaughter is down 13 percent from a year earlier. Calf slaughter almost certainly will decline even further in 2002 as feeder cattle supplies get even tighter, particularly if forage conditions improve supporting heifer retention and herd expansion.

Heifer Inventories Continue to Tighten

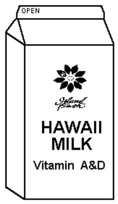
Third quarter data point to increasingly tight heifer inventories in 2002. Slaughter slowed in the third quarter due to lingering effects of winter weather impact on feedlot performance in early summer and in September due to a slowdown in product movement. Although steer slaughter was down 6 percent, heifer slaughter was down only 1 percent. The number of heifers on feed on October 1 were up marginally from the large year-earlier levels and up 12 percent from 1999. Heifer slaughter will remain large this fall as dry conditions forced large numbers of heifers that had been retained for breeding 2001 were placed on feed. In addition, larger numbers of heifers that might have been bred in 2002 were also forced into feedlots. Beef cow slaughter this summer was up 14 percent from a year ago reflecting continued concern over forage supplies for over wintering programs particularly in the Great Plains and Pacific Northwest.

Cattle/Beef Prices Remain Above 2000

Although prices have declined from the severe winter tight beef scenario of this past winter and spring they have remained near to above year-earlier levels. Retail prices for Choice beef in September declined modestly from the June record for the third consecutive month. However, prices remain nearly 8 percent above a year earlier. Prices are likely to decline further as potential beef supplies and slaughter weights remain well above year-earlier levels. Fed cattle prices in October were about unchanged from a year earlier, while stocker/feeder cattle and cull prices remain well above last year's levels. Favorable grain (and thus feedlot ration cost) and improving grazing prospects amid tightening feeder cattle supplies will keep prices strong for the next several years. Increasing numbers of heifers retained from next year's calf crop to be bred in 2003, will result in sharply tighter feeder cattle supplies.

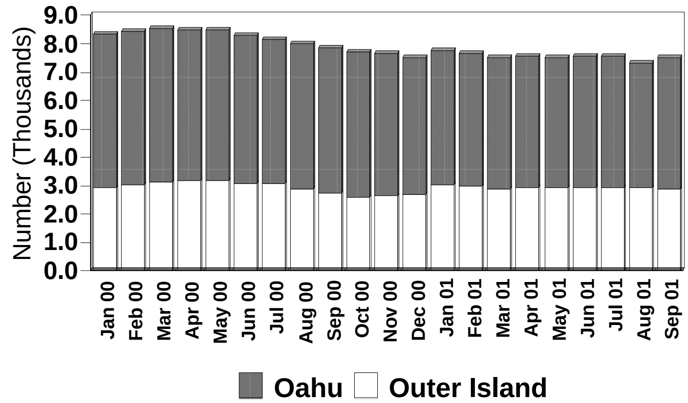
Source: ***Livestock, Dairy and Poultry Situation and Outlook, October 24, 2001, Economic Research Service, United States Department of Agriculture.***

SEPTEMBER MILK LOWER



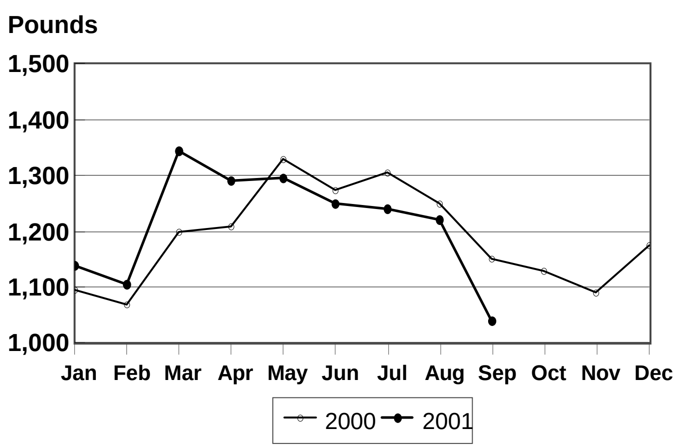
Hawaii's dairy cows produced **7.8** million pounds of milk in September compared to 9.1 million pounds produced during September 2000 and 8.9 million pounds produced in August 2001. The cow inventory, both dry and in milk, totaled 7,500 head, down 400 from September last year but up 200 from August of this year. Output per cow during the month averaged 1,040 pounds, 110 pounds lower than September a year ago and 180 pounds below August. Milk production for the first three quarters of 2001 totaled 82.5 million pounds, 9 percent below the same period last year.

Milk Cows
State of Hawaii, 2000-2001



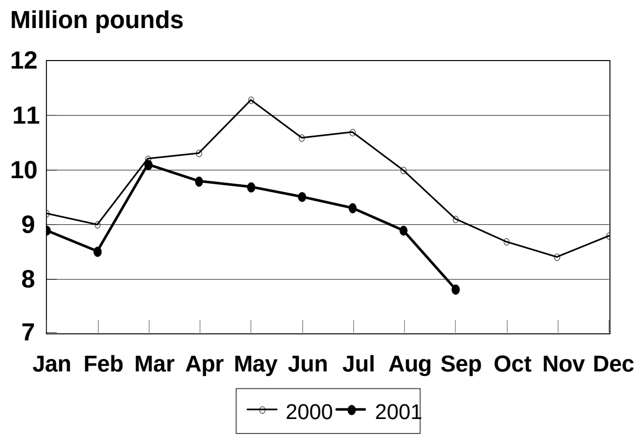
HASS

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



HASS

Total Milk Production,
State of Hawaii, 2000-2001



HASS

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

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Sept. 2000	Aug. 2001	Sept. 2001	Sept. 2000	Sept. 2001	Sept. 2000	Sept. 2001	Year-to-date 2000	Year-to-date 2001
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii/Kauai	2,760	2,940	2,910	1,115	885	3,080	2,575	30,005	25,935
Honolulu	5,100	4,400	4,600	1,175	1,140	6,000	5,245	60,390	56,695
State	7,900	7,300	7,500	1,150	1,040	9,100	7,800	90,400	82,500

[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 0.7 PERCENT

Milk production in the 20 major States during September totaled 11.4 billion pounds, down 0.7 percent from September 2000. August revised production, at 11.8 billion pounds was down 1.3 percent from August 2000. The August revision represented a decrease of 0.5 percent or 56 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,471 pounds for September, 7 pounds above September 2000. The number of cows on farms in the 20 major States was 7.73 million head, 91,000 head less than September 2000 and 8,000 head less than August 2001.

Average farm prices, State of Hawaii, September 2001

Commodity		September 2000	August 2001	September 2001
		cents per pound		
Range steers and heifers [1]	*- dressed weight*	80.0	78.0	76.0
	- (live weight equivalent)	(43.9)	(42.8)	(41.7)
Cows [1]	*- dressed weight*	52.0	50.0	50.0
	- (live weight equivalent)	(28.5)	(27.5)	(27.5)
Market hogs [1 2]	*- dressed weight*	112.5	113.0	112.0
	- (live weight equivalent)	(84.4)	(84.8)	(84.0)
		dollars per 100 pounds		
Milk [3]		24.70	25.90	26.00
		cents per dozen		
Eggs [4]		83.0	84.0	84.0

[1]Equivalent delivered slaughterhouse for sales on island of production and delivered shippers dock for off-island sales. Factors of 0.549 and 0.75 used to convert dressed weight prices to live weight equivalent for cattle and hogs, respectively.
[2] Includes roasters.
[3] Beginning 1999, monthly average price rounded to the nearest dime.
[4] Prices are for all eggs, equivalent delivered processing plant. Preliminary prices are based on processor reports from Hawaii, Kauai, Maui and adjusted Market Analysis & News Branch wholesale prices for Oahu. Final prices are based on processor reports from all islands.