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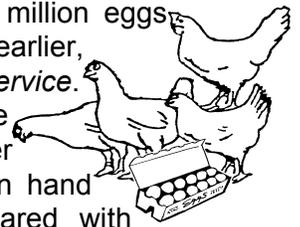
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NOVEMBER EGG PRODUCTION 12 PERCENT BELOW A YEAR AGO

Egg production during November, 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 accompanied by a decline in the average rate of lay accounted for the lower production. The average number of layers on hand during November 2001 was 563,000, compared with 621,000 a year ago and 560,000 during October 2001. The average rate of lay was 1,758 eggs per 100 layers (58.6 percent lay rate) compared with 1,820 (60.7 percent) a year ago. Cumulative production for the first eleven-months of 2001 was 117.8 million eggs, 10 percent less than during the same period in 2000.



U.S. EGG PRODUCTION

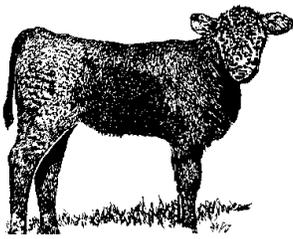
U.S. egg production totaled 7.17 billion during November 2001, up 2 percent from last year. Production included 6.14 billion table eggs and 1.04 billion hatching eggs, of which 977 million were broiler-type and 60.0 million were egg-type. The total number of layers during November 2001 averaged 337 million, up 2 percent from the total average number of layers during November 2000. November egg production per 100 layers was 2,128 eggs, slightly above the 2,125 eggs in November 2000. November 2001 contained 22 weekdays, two holidays and four Saturdays, equal to November 2000.

All layers in the U.S. on December 1, 2001 totaled 338 million, up 2 percent from a year ago. The 338 million layers consisted of 279 million layers producing table or commercial type eggs, 55.9 million layers producing broiler-type hatching eggs, and 2.61 million layers producing egg-type hatching eggs. Rate of lay per day on December 1, 2001, averaged 71.2 eggs per 100 layers, down slightly from the 71.0 eggs a year ago. Laying flocks in the 30 major egg producing States produced 6.73 billion eggs during November 2001, up 2 percent from November 2000. The average number of layers during November, at 316 million, was up 2 percent from a year earlier.

Number of layers and egg production, State of Hawaii, November 2001 ¹

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Nov. 2000	Oct. 2001	Nov. 2001	Nov. 2000	Nov. 2001	Nov. 2000	Nov. 2001	Year-to-date	
	----- Thousands -----			--- Number ---		----- Millions -----			
Hawaii/Kauai/Maui	150	143	145	1,845	1,686	2.8	2.4	32.9	30.0
Honolulu	471	417	418	1,794	1,764	8.5	7.4	98.4	87.7
State	621	560	563	1,820	1,758	11.3	9.9	131.3	117.8

¹ State totals June not add due to rounding.



NOVEMBER MARKETINGS OFF 44 PERCENT FROM YEAR AGO

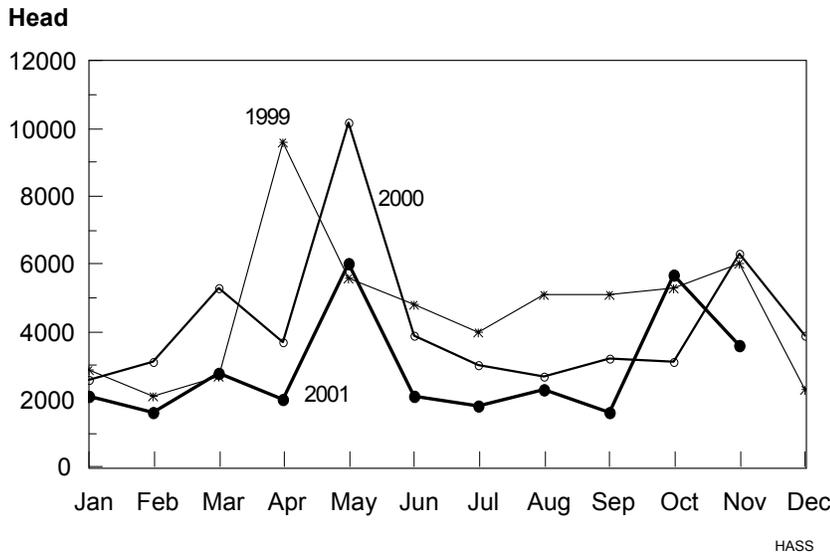
Cattle marketings during November 2001 totaled 4,200 head, compared with 7,500 a year ago and 6,800 during October 2001. Declines in out-shipments and local slaughter accounted for the 44 percent drop in marketings when compared with November 2000. Cattle and calves shipped out-of-State totaled 3,600 head compared with 6,300 a year earlier and 5,700 during October. Year-to-date marketings for the first eleven-months of 2001 were 43,400 head, 31 percent less than a year earlier; while cumulative out-shipments for the same period were off 33 percent to 31,600 head.

Cattle Marketings, State of Hawaii, November 2001

Month	Total Marketings ¹		Exports ²						Average Live Weight	
	Number of Head ³		Number of Head				Total ³			
			Steers		Heifers				Total ³	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
November	7,500	4,200	3,800	2,400	2,500	1,200	6,300	3,600	390	380
Year-to-date ⁴	62,900	43,400	27,200	18,400	19,900	13,200	47,100	31,600	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	Heifers
	(1,100 - 1,300 pounds)	(1,000 - 1,200 pounds)
from California		
12-01-01	—	—
12-15-01	—	—
from Sioux Falls		
12-01-01	65.25	66.25
12-15-01	63.25	63.25

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

DONALD A. MARTIN State Agricultural Statistician		Contributing by County	
REGINA W. HIDANO Agricultural Statistician	JOYCE JAY Statistical Assistant	James Yamaki	Hawaii
NILS K. MORITA Research Statistician	KAREN A. LEE Statistical Assistant	Robert Miyake	Hawaii
		Naomi Landgraf	Maui
		June Okamura	Kauai, Honolulu
		Wendell Au	Honolulu

PASTURE AND LIVESTOCK CONDITION, DECEMBER 1, 2001



Hawaii County

Hilo and Puna: A second month of heavy rains, cool temperatures and overcast skies, slowed grass growth in many areas of the

district during November. Most pastures were in fair to good condition with an adequate supply of forage. The rains caused some minor flooding but no major damage. Stock water supplies were adequate. Cattle and calves were in fair to good condition.

Ka'u: The heavy rains which bypassed the district during October returned during November. Rainfall totals were well above what would be considered normal for the month. The rains helped to generate new grass growth, improve pasture conditions and replenished stock water supplies. However, the heavy rains in combination with cooler temperatures slowed grass growth around Kapapala. Cattle and calves were in fair to good condition.

Kona: Slightly above normal rainfall throughout much of the district during November, following October rains helped to maintain most pastures in fair to good condition. Heading into the dry season for Kona, forage supplies were in fair to good condition. North Kona pastures continued in poor to fair condition. Cattle and calves were in fair to good condition. Supplemental feeding occurred in the drier areas of North Kona.

Kohala: Most windward pastures received above normal rainfall, keeping pastures in fair to good condition, however, cool temperatures, especially at the higher elevations, slowed new grass growth. Some light showers fell over lower elevation leeward pastures, but precipitation was insufficient resulting in continued dry conditions and pastures which were still either barren or short of feed. Rainfall at the Kahua rain gage registered only 43 percent of normal, the only station on the island to record rainfall totals for the month that were not near normal or above normal. Stock water supplies were adequate. Cattle and calves were in

poor to good condition. Supplements were fed to maintain livestock in the drier areas.

Hamakua: Good rains kept pastures green and in fair to good condition in most sectors. Higher elevation pastures along Mauna Kea received beneficial rainfall, but shorter days and cooler temperatures slowed new grass growth. The condition of cattle and calves was fair to good.

Honolulu County

Thunderstorm activities during the last week of November helped bring much needed moisture to pastures throughout much of the island. Even the dry areas such as Waianae, Waialua, and Waimanalo received above normal rainfall. Most pastures showed some improvement and were in fair to good condition. Cattle and calves were also in fair to good condition.

Kauai County

Rainfall from a Kona low brought much needed precipitation to areas from the southeast to west sides of the island. Responding to two consecutive months of rain, many pastures were showing signs of improvement and were in fair to good condition. New grass growth was good, but slow due to cool temperatures and wet conditions. Most cattle and calves were in good condition.

Maui County

A second month of storm activities resulted in some much needed moisture for pastures throughout the islands. Even the generally dry areas of the leeward sectors of Maui and Molokai received some much appreciated precipitation. Most of these areas benefitted from rainfall totals well above normal levels for the month. Windward pastures were in fair to good condition, while leeward pastures were still in poor to fair condition, but showing promise for good new grass growth. 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

2002 Milk Output To Rebound

Milk production finally made it back to year-earlier levels in November after 12 months of declines. The relatively high milk prices and low concentrate feed prices normally would have been conducive to growth in milk production. However, expanding operations were slowed by very tight supplies of replacement heifers and of high-quality forage. Meanwhile, recent returns have only modestly affected the exit of farmers from dairying, and milk per cow continues to show the effects of forage and weather problems.

November milk cow numbers were more than 1 percent below a year ago and slightly less than spring levels. The shortage of replacement heifers continues. Prices of dairy replacements averaged \$1,700 in October, more than \$300 higher than at any time prior to this year. The lack of acceptable dairy heifers has slowed bringing new facilities into full production and may have deterred some expansions, particularly where supplies of acceptable forage also were in question.

This year's strong returns have slowed the rate of dairy farm exit, but only modestly. Many farms received their last major investment in the eighties and do not have sufficient long-run income prospects to justify needed new investment. In addition, recent replacement cow prices made it a relatively attractive time to sell out.

Pent up expansion pressure from this year will support milk cow numbers in 2002, as the expected lower returns are unlikely to delay filling up expanded capacity. In addition, a significant number of producers will have both favorable long-run prospects and substantial cash savings from 2001. Heifer availability may still be a factor but should be somewhat less troublesome than in 2001. Heifer prices started to rise in late 1999, encouraging farmers to retain as many as possible. These heifers will be available as replacements in early 2002. Also, heifer demand may ease with 2002's lower returns, at least by the second half of the year.

Dairy farm exits may be a bit more numerous in 2002 than they were this year, but probably will be moderate. Although returns will drop from this year's strong levels, the fall is not expected to result in rapid farm exit. Returns probably will not drop to 2000 levels, and even the weaker farms have been given more staying power as a result of their returns of recent years. Milk cow numbers are projected to decline only fractionally in 2002, following a 1-percent decrease in 2001.

Milk per cow has been weak in 2001, despite high milk-

feed price ratios. Although there was plenty of incentive to boost concentrate feeding, forage quality and weather problems knocked milk per cow below a year earlier, in the 20 top States, from November 2000 through August 2001. Insufficient replacement heifers to maintain normal culling also may have played a role, as tail-end cows were kept longer and some poorer heifer prospects may have been given a chance. Although autumn milk per cow was above a year earlier, growth remained well below trend.

The uneven quality of the 2001 forage probably will continue to affect milk per cow adversely through mid-2002. Additionally, the herd may continue to contain some cows that normally would have been culled. For these reasons, growth in milk per cow in 2002 is not expected to bounce back to the long-run trend. However, milk per cow should recover substantially if weather problems do not again interfere. Milk-feed price ratios will stay fairly favorable, even if considerably below this year's levels. Output per cow is projected to rise 3 percent or more, resulting in an increase in milk production of 2-3 percent.

Dairy demand in 2002 remains quite uncertain but is expected to absorb the projected production increase without too drastic price drops. Farmers will receive an average of about \$15 per cwt of milk in 2001. Milk prices are expected to decline less than \$2 per cwt in 2002 and remain about \$1 above those of 2000.

Beef Cow Slaughter, Heifers on Feed Continue to Stall Expansion

In 2001, weather took an unusually heavy toll on the beef sector as the most severe winter since 1992/93 resulted in poor feedlot performance and sharply reduced slaughter weights. The second half of the year saw drought and another round of record slaughter weights as feedlot performance improved and days on feed increased. Although grain prices were favorable for cattle feeders and feeder cattle prices strengthened, the drought extended the liquidation phase of the cattle cycle that began in 1995/96. Large beef cow slaughter in 1996-1998 reflected adjustments to low cow-calf returns during that period. Extended drought in 1999 and 2000 resulted in record heifer slaughter and, combined with the length of the biological lag, held down the beef cow herd expansion. Heifer slaughter in 2001 is down from the last couple of years, but remains large. Beef cow slaughter rose 11 percent during 2001 due to the most severe winter since 1992/93 followed by drought in major beef production areas. Beef cow slaughter was the largest since 1998 and, along with large numbers of heifers on feed,

further forestalls expansion. Returns have been above cash costs per cow since 1997, but drought-induced pressures since then have forced more heifers into feedlots rather than being retained for the breeding herd. Drawing from a smaller inventory, beef production likely will decline through 2004, particularly as heifers are retained for the breeding herd.

Retail prices for Choice beef have declined from the June peak of \$3.48 a pound, but remain well above the fall 2000 average of \$3.11. The farm-to-retail spread is at record levels, with the wholesale-retail spread very wide as fed cattle prices have declined. Retail prices are likely to decline through late winter, but most of the help in aligning beef supply and demand will come from declining feedlot placements.

Beef Exports to Decline

Beef exports for the current year are now expected to be down 12-13 percent from last year and exports in 2002 are likely to decline another 2-3 percent. If realized, exports in 2002 would be down 14 percent from the record 2.5 million pounds achieved in 2000. During the same period, domestic consumption is expected to decline only 2-3 percent. Exports are down generally as a result of high U.S. prices, slowing economies worldwide, and BSE concerns in Asia.

The situations in Korea and Japan are expected to alter expectations of beef exports to these countries. After seven months of sharply lower exports to Korea, export activity nearly doubled in both September and October. Korean buying patterns tend to be variable, but are typically characterized by several months of light activity followed by some months of greater activity. However, monthly exports during February-August were the lowest since the Asian financial crisis in 1997.

Reduced exports to Korea this year were due to a result of a buildup of stocks that peaked late last year as a result of a slowing Korean economy and concerns about BSE. The stocks were accumulated as imports of beef rebounded rapidly after the 1997 Asian financial crisis and substantial reductions of the domestic beef herd. The herd was reduced in anticipation of the competition expected from imported beef as Korea liberalized its beef import regime, consistent with the WTO agreement, which gives more equal treatment of imported meat in retail establishments. The stocks draw down could have displaced roughly 10 million pounds of imports per month, and help explain why an otherwise moderate decline in imports caused by a slowing economy became much worse. Exports to Korea in 2002 are expected to be above 2001.

Beef demand in Japan continues to be adversely affected by BSE concerns and a weak economy. Consumers have reduced consumption of beef, instead showing increased interest in pork and seafood dishes as the holiday season approaches.

There are also few reasons to be optimistic about the performance of the Japanese economy over the next year. The Japanese government is predicting no growth, but the consensus among non-government analysts is that the Japanese economy will contract in 2002. The International Monetary Fund, for example, predicts a GDP decline of 1.3 percent next year. Unemployment has already reached 5.4 percent, a post war record, with more than one million Japanese having lost their jobs this year.

Past fiscal and monetary policies have failed to bring Japan out of its decade-long slump and may have contributed to its current recession. After years of deficit-financed fiscal spending, Japan's public debt has reached 130 percent of its gross domestic product, up from 110 percent only three years ago. Japan's public debt is the highest among industrial countries, and has been downgraded by three major ratings agencies since November. Expansionary monetary policy has also failed to stimulate the economy along a self-sustaining growth path, in view of private sector indebtedness, excess capacity, and a banking sector already burdened with bad loans secured with inflated collateral. Monetary policy, slow economic growth, and limited investment opportunities have contributed to what may be a continued near-term weakening of the Japanese yen, which raises prices of imported items such as beef.

Continued BSE concerns plus a weak economy point to lower U.S. beef exports to Japan, at least over the next year or so as U.S. beef prices increase in response to tightening U.S. beef supplies. While some reforms have been undertaken or proposed the fundamental restructuring in banking and protected industries that could help Japan regain a self-sustaining growth path does not appear on the horizon. Consequently, overall beef consumption is expected to be lower next year. Continued weakening of the Australian dollar is also expected to help the competitiveness of Australian beef.

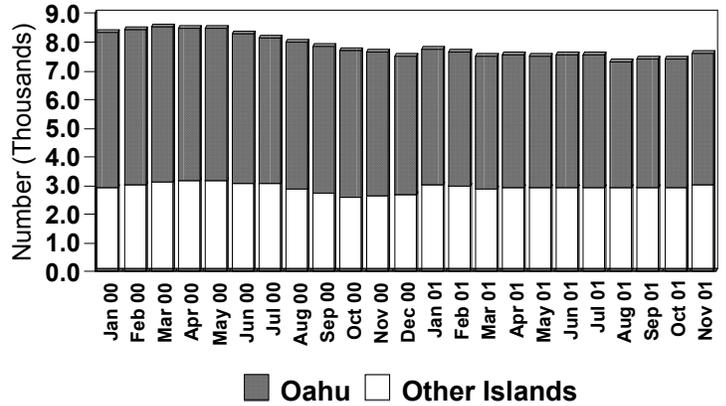
Source: Livestock, Dairy and Poultry Situation and Outlook, December 27, 2001, Economic Research Service, United States Department of Agriculture.

NOVEMBER OUTPUT LOWER



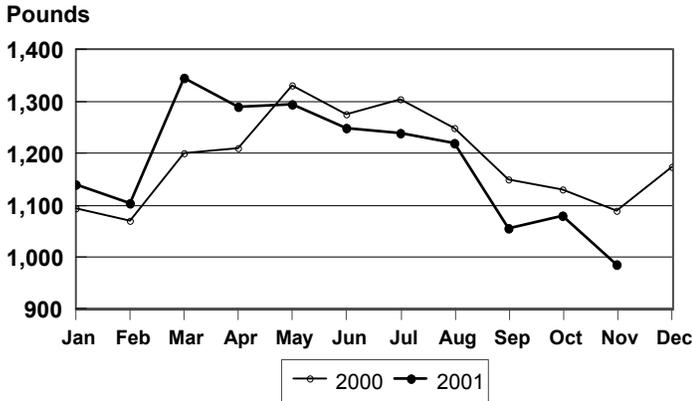
Hawaii's dairy cows produced **7.5 million** pounds of milk in November, down 11 percent from November 2000 and 7 percent lower than October 2001. The cow inventory, both dry and in milk, numbered 7,600 head, 100 below November last year but 100 above October of this year. November average output per cow was 105 pounds lower than the same time a year ago and 95 pounds below October, due to a higher percentage of dry cows. Milk production for the first 11 months of 2001 totaled 98.1 million pounds, 9 percent below the same period last year.

Milk Cows State of Hawaii, 2000-2001



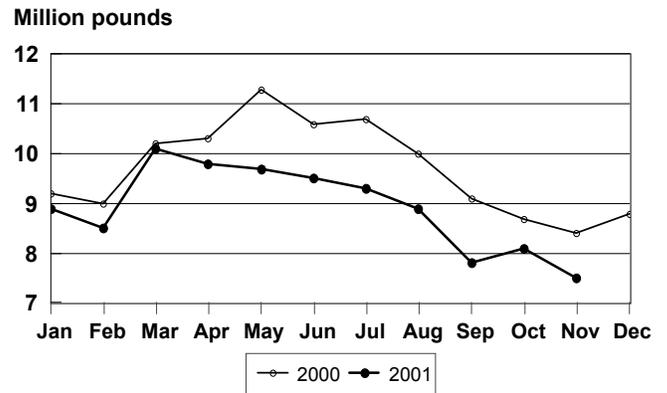
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Milk Production Per Cow, State of Hawaii, 2000-2001



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Total Milk Production, State of Hawaii, 2000-2001



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

County	All milk cows ^{1,2,3}			Milk per cow ³		Milk production ¹³			
	Nov. 2000	Oct. 2001	Nov. 2001	Nov. 2000	Nov. 2001	Nov. 2000	Nov. 2001	Year-to-date	
	Number			Pounds		1,000 pounds			
Hawaii	2,670	2,940	3,020	985	820	2,630	2,470	35,355	31,190
Honolulu	5,000	4,600	4,600	1,160	1,085	5,790	4,995	72,155	66,965
State	7,700	7,500	7,600	1,090	985	8,400	7,500	107,500	98,100

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. There were no commercial dairies on Kauai after September 2000.

U.S. PRODUCTION UP 0.4 PERCENT

Milk production in the 20 major States during November totaled 11.4 billion pounds, up 0.4 percent from November 2000. October revised production, at 11.7 billion pounds was down 0.7 percent from October 2000. The October revision represented a decrease of 0.4 percent or 53 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,480 pounds for November, 21 pounds above November 2000. The number of cows on farms in the 20 major States was 7.73 million head, 78,000 head less than November 2000 but 8,000 head more than October 2001.

Average farm prices, State of Hawaii, November 2001

Commodity	November 2000	October 2001	November 2001
	----- cents per pound -----		
Range steers and heifers ¹			
- <i>dressed weight</i>	79.0	77.5	77.0
- <i>(live weight equivalent)</i>	(43.4)	(42.5)	(42.3)
Cows ¹			
- <i>dressed weight</i>	53.0	51.0	51.0
- <i>(live weight equivalent)</i>	(29.1)	(28.0)	(28.0)
Market hogs ^{1 2}			
- <i>dressed weight</i>	112.0	113.0	111.0
- <i>(live weight equivalent)</i>	(84.0)	(84.8)	(83.3)
	----- dollars per 100 pounds -----		
Milk ³	24.60	26.30	25.70
	----- cents per dozen -----		
Eggs ⁴	83.0	83.5	84.5

¹Equivalent 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.

²Includes roasters.

³Beginning 1999, monthly average price rounded to the nearest dime.

⁴Prices 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.