HAWAII AGRICULTURAL STATISTICS SERVICE
NASS

HAWAII MONTHLY LIVESTOCK REVIEW

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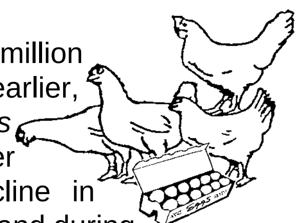
SEPTEMBER EGG PRODUCTION 7 PERCENT BELOW YEAR AGO



Egg production during September, totaled **9.1** million eggs (25,278 cases) 7 percent less than a year earlier, according to the *Hawaii Agricultural Statistics Service*. Fewer layers on hand with a lower average rate of lay accounted for the decline in production. The average number of layers on hand during September 2002 was 537,000, compared with 561,000 a year ago and 538,000 during August 2002. The average rate of lay was 1,695 eggs per 100 layers (56.5 percent lay rate) compared with 1,747 (58.2 percent) a year ago. Cumulative egg production for the first 9 months of 2002 was 87.7 million eggs, 11 percent less than during the same period in 2001.

U.S. EGG PRODUCTION

U.S. egg production totaled 7.15 billion during September 2002, up 1 percent from last year. Production included 6.10 billion table eggs and 1.05 billion hatching eggs, of which 989 million were broiler-type and 56.0 million were egg-type. The total number of layers during September 2002 averaged 337 million, up 1 percent from a year earlier. September egg production per 100 layers was 2,119 eggs, up 1 percent from the 2,103 eggs in September 2001.

September 2002 contained 21 weekdays and four Saturdays, compared to September 2001 which contained 20 weekdays and five Saturdays.

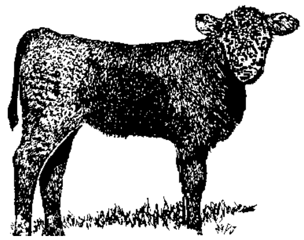
All layers in the U.S. on October 1, 2002 totaled 338 million, up slightly from a year ago. The 338 million layers consisted of 280 million layers producing table or commercial type eggs, 54.9 million layers producing broiler-type hatching eggs, and 2.45 million layers producing egg-type hatching eggs. Rate of lay per day on October 1, 2002, averaged 70.2 eggs per 100 layers, up slightly from a year ago.

Laying flocks in the 30 major egg producing States produced 6.69 billion eggs during September 2002, up 1 percent from a year ago. The average number of layers during September, at 316 million, was up slightly from a year ago.

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

County	Number of layers on hand during month			Eggs per 100 layer		Total eggs produced			
	Sept. 2001	Aug. 2002	Sept. 2002	Sept. 2001	Sept. 2002	Sept. 2001	Sept. 2002	Year-to-date 2001	Year-to-date 2002
	Thousands			Number		Millions			
Hawaii/Kauai/Maui	144	129	129	1,755	1,632	2.5	2.1	25.1	21.3
Honolulu	417	409	408	1,740	1,713	7.3	7.0	73.1	66.4
State	561	538	537	1,747	1,695	9.8	9.1	98.2	87.7

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



SEPTEMBER MARKETINGS OFF 59 PERCENT A YEAR AGO

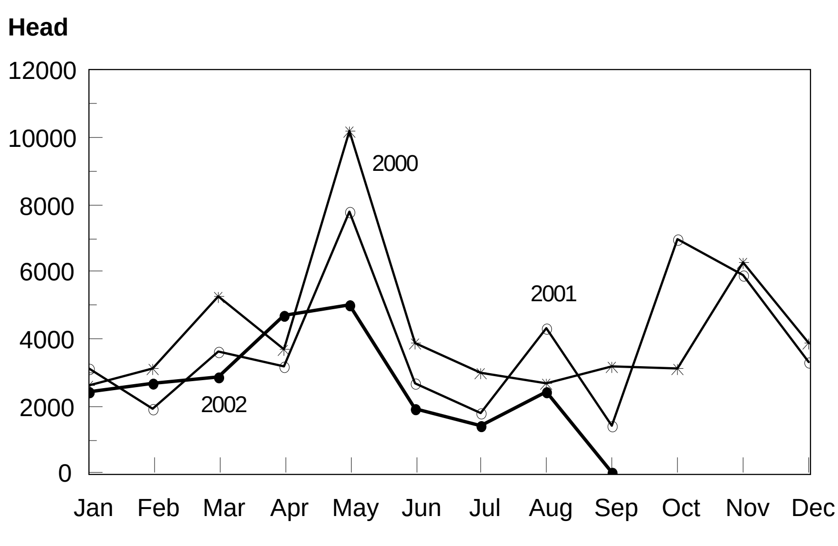
Cattle marketings during September totaled 900 head, compared with 2,200 head a year ago and 3,500 head during August 2002. No out-of-state shipments, due to the threat of the west coast dock lock-out, accounted for the 59 percent drop in marketings when compared with a year earlier. Year-to-date marketings at 32,200 head were 19 percent less than the same 9-month period in 2001. No cattle and calves were shipped out-of-State during September compared with 1,400 a year earlier and 2,400 during August. Out-of-state marketings during the first three-quarters of 2002 was 23,300 head, 22 percent below the same period in 2001.

Cattle Marketings, State of Hawaii, September 2002

Month	Total Marketings [1] Number of Head [3]		Exports [2] Number of Head Steers		Heifers		Total [3]		Average Live Weight	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
	head								pounds	
September	2,200	900	900	0	500	0	1,400	0	480	0
Year-to-date [4]	39,800	32,200	17,300	13,900	12,500	9,400	29,800	23,300	440	440

[1] Sum of Commercial Slaughter and Exports.
[2] Cattle and calves shipped out-of-State.
[3] Total may not add to sum due to rounding.
[4] Includes any revisions made to previous month figures.

CATTLE & CALF OUTSHIPMENTS
STATE OF HAWAII, 2000-2002



SLAUGHTER CATTLE (U.S.)

Weekly Simple Average of Daily Quotations, Choice 2-4

Dollars per 100 pounds

Week ending	Steers (1,100 - 1,300 pounds)	Heifers (1,000 - 1,200 pounds)
from California		
9-7-02	—	—
9-21-02	—	—
from Sioux Falls		
9-7 -02	62.50	62.25
9-21-02	64.00	64.00

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

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COMMERCIAL BEEF PRODUCTION 13 PERCENT ABOVE A YEAR AGO

Commercial beef production (local slaughter) during September 2002 totaled 538,000 pounds, compared with 475,000 pounds a year earlier. Commercial kill for September 2002 totaled 900 head, 100 more than a year ago. Average live weight per head, at 1,082 pounds, was 4 percent heavier than a year ago. Cumulative production for the first nine months of the year was 5.0 million pounds, 8 percent below the same period last year.

U.S. BEEF PRODUCTION

Beef production, at 2.20 billion pounds, was 4 percent above the previous year. Cattle slaughter totaled 2.86 million head, up 2 percent from September 2001. The average live weight was 1,264 pounds, up 24 pounds from September a year ago.

PORK PRODUCTION DOWN 1 PERCENT FROM A YEAR AGO

Commercial pork production during September 2002 totaled 374,000 pounds, compared with 379,000 pounds a year ago. Total hog kill of 2,400 head was 100 fewer than a year ago. Average live weight per head, at 208 pounds, was 3 percent heavier than September a year ago. Cumulative production for the first 9 months of 2002 was 3.8 million pounds, 5 percent less than the same period in 2001.

U.S. PORK PRODUCTION

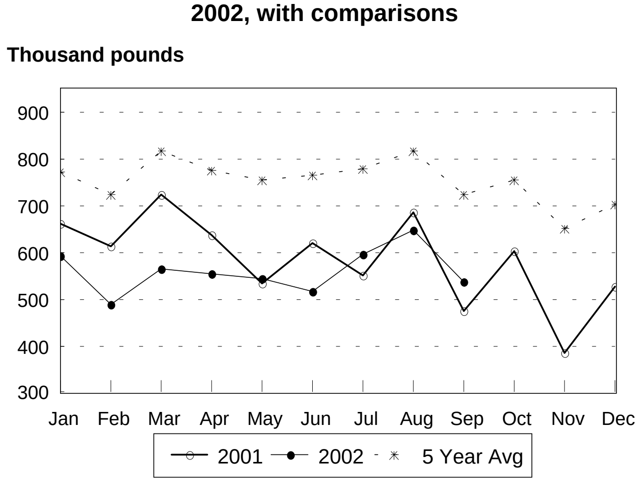
Pork production totaled 1.64 billion pounds, up 8 percent from the previous year and a monthly record high. Hog kill totaled 8.51 million head, 9 percent above September 2001. The average live weight was 260 pounds, down 2 pounds from September a year ago.

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

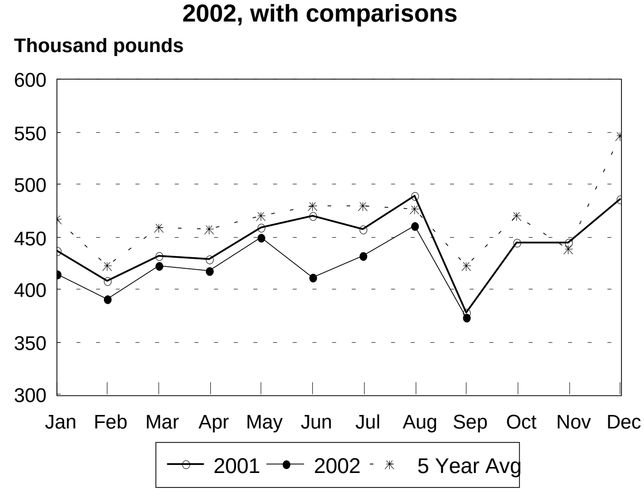
Species	Number of head		Average live weight		Total live weight [2]		Total dressed weight	
	2001	2002	2001	2002	2001	2002	2001	2002
			- - - - - - pounds - - - - - -		- - - - 1,000 pounds - - - -			
Cattle								
September	800	900	1,042	1,082	866	980	475	538
Year-to-date	10,000	8,800			10,018	9,177	5,500	5,038
Hogs [3]								
September	2,500	2,400	202	208	505	499	379	374
Year-to-date	26,100	23,800			5,283	5,037	3,962	3,778

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

Commercial Beef Production, State of Hawaii 2002, with comparisons



Commercial Pork Production, State of Hawaii 2002, with comparisons



PASTURE AND LIVESTOCK CONDITION, OCTOBER 1, 2002

Hawaii County

Hilo and Puna: Near normal to above normal rainfall during the first three weeks of September, coupled with warm, dry conditions during the last week of the month, kept pastures in good to excellent condition. Rainfall at the higher elevations continued light, resulting in low soil moisture levels. Cattle and calves were in good condition.

Ka'u: Almost daily showers along the southern portion of the district helped to maintain pastures in fair to good condition with good grass growth. Only very light precipitation along the lower elevations of Pahala and Naalehu resulted in dry conditions and light forage supplies in the area. Cattle and calves were in fair to good condition.

Kona: Frequent evening showers along with warm temperatures benefitted most Central and South Kona pastures. New grass growth has been good with a good supply of feed on hand, resulting in pastures being in good condition. Although dry, North Kona pastures at the higher elevations received some light showers to help stimulate new grass growth, while many lower elevation pastures continued dry. Cattle and calves were in fair to good condition with some supplement being fed.

Kohala: Continued rain along windward sectors was beneficial for Kohala pastures. Forage supplies and new grass growth were good. Light rainfall along the upper elevations of Kohala Mountain, the upper slopes of leeward facing Mauna Kea, and the lower elevation pastures of Hawi and Upolu, caused pastures to dry, but with an adequate supply of forage feed on hand. Lower elevation leeward pastures and coastal pastures, especially around Kawaihae and Mahukona, were dry with very little feed. Cattle and calves were in fair to excellent condition.

Hamakua: Continuous light showers during September had pastures in good condition with an adequate supply of feed. Although the higher elevation pastures received less rainfall they still had sufficient feed on hand, despite cool temperatures slowing grass growth. Pastures at the uppermost levels of Mauna Kea had low soil moisture with only light feed on hand. Stock water supplies were adequate with water hauling kept to a minimum. Cattle and calves were in fair to good condition.

Honolulu County

Except for some good rains early in the month, conditions were generally dry for September. As a result, pastures throughout the island were dry or drying. Most pastures still had sufficient supplies of old feed on hand. Pastures and livestock were in fair to good condition.

Kauai County

Light to moderate rainfall, during the first half of September, over northern and eastern sectors helped to maintain most pastures in fair condition, however, drier conditions during the second half of the month caused many of these pastures to dry, but with an adequate supply of old feed. Drier conditions along western and southern areas left pastures generally dry with some old feed. Cattle and calves were in fair condition.

Maui County

The high pressure ridges situated near or over the State for much of September, kept trade winds light and rainfall scarce, the same as it had with the other islands to the northwest of Maui. Sunny skies, warm temperatures, and light rainfall kept conditions mostly dry throughout the county with rainfall over the central valley non-existent during the month. Most windward and upper elevation pastures were in fair condition with an adequate supply of old feed. Leeward and lower elevation pastures, on the other hand, were dry and in poor condition. Cattle and calves were in fair 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

Crop Progress

Smallest Corn Crop Since 1995/96

This year's corn crop was raised 121 million bushels from the September estimate to 8.92 billion bushels due to improved yields. The harvest will be down 6 percent from last year and the lowest since 1995/96's 7.4 billion bushels. The increase in corn production estimates more than offset lower the ending stock estimates for 2001/02 and an increase in corn feeding use offsets the lower barley and oat production estimates. The projected 2002/03 price range was lowered 5 cents to $2.30 to $2.70 a bushel, up from $1.97 last year and $1.85 in 2000/01. Although up from the 5-year average of $1.85 a bushel, prices remain well below the record $3.24 in 1995/96 when sharply higher prices and reduced forage supplies due to drought set off the cattle herd liquidation.

Moisture Supplies Improves Small Grain Grazing Prospects

While additional rainfall is needed in most areas to augment subsoil and groundwater supplies, surface moisture and grazing prospects continue to improve. Wheat grazing prospects are the most promising in several years, and will provide much needed support for stocker cattle prices and provide a buffer against the higher grain prices. As always, fall moisture conditions and temperatures will determine how good a grazing year is likely.

Pasture and range grazing prospects remain relatively poor in many areas even as moisture levels improve. The moisture will aid in improving prospects for grazing in 2003, but only marginal improvement is likely this fall. Pastures are in poor to very poor conditions in many areas of the west, northern plains, and mid Atlantic. Supplemental feeding has been necessary in many areas already, and increased supplemental feeding will be likely even if winter conditions are relatively mild. A harsher winter will require continued downward herd adjustments.

Hay Production Down, Quality a Concern

Total hay production estimates in the October Crop Production report were down 4 percent, 6.3 million tons, from a year ago, with alfalfa production down 7 percent and other hay production down nearly 1 percent. However, other hay production estimates declined nearly 3 percent from the August report, reflecting the worsening drought in many areas. This is the smallest hay crop since 1996. Although the May 1, 2002, hay stocks were up 6.6 percent from a year earlier, this is an increase of only 1.4 million tons. Supplemental feedings has already been heavy in many areas and continues due to the drought. The December 1 hay stocks will be reported in the January 2003 Crop Production report, but will likely be pulled well below the 2001 estimate S a reflection of the heavier supplemental feeding and smaller hay crop.

The farm price of other hay in September was $74.80 a ton, up $2.90 from last year and up $3.80 a ton from August, reflecting further supply tightening. Even though the largest year-to-year drop in production was for alfalfa hay, prices were actually down $6 a ton from a year earlier, but up $1 a ton from August. This price anomaly is likely a reflection of lower quality than reduced demand for the smaller supply.

Hogs / Pork

Quarterly Hogs and Pigs Report Points to Lower Pork Supplies and Higher Prices

The September Quarterly Hog and Pigs report, released on September 27, indicated that U.S. hog producers have responded to negative returns sustained over most of this year and to prospects for continued losses by reducing the U.S. breeding herd 2 percent below a year ago. Producers also indicated in the report intentions to reduce farrowing in the September-November 2002, as well as in the December 2002-February 2003 period, pointing to lower pork supplies in 2003. Prices of live hogs and retail pork are expected to be higher next year as a consequence of lower supplies.

Higher Hog and Pork Prices from Lower Supplies

Given lower 2003 pork supplies, live hog prices are expected to average $35-$38, or about 7 percent higher than in 2002. Farm-to-retail spreads are likely to narrow somewhat on the basis of higher hog prices. Retail pork prices next year are expected to increase about 1 percent over 2002, and average about $2.69 a pound as a result of lower supplies of both pork and beef.

Cattle / Beef

Beef Supplies Remain Burdensome

Record beef production and slaughter weights are burdening the cattle market in the short term. However, looking on out, good beef movement and reduced on-feed and total cattle inventories remain positive for the industry. Cattle on feed inventories on September 1 in the 7-monthly reporting States were down 6 percent from a year earlier. Fed cattle marketings in August were down 3 percent from a year earlier. However, September steer and heifer slaughter was likely above a year earlier and third-quarter steer and heifer slaughter was up nearly 3 percent. August feedlot placement rose 2 percent, thus together with lower marketings, the September on-feed inventory rose marginally during August. Front-end supplies remain large and together with continued record weights will hold up beef production over the next couple of quarters.

Beef Production and Carcass Weights Increase

Continued large fed cattle marketings at record slaughter weights likely resulted in record beef production in the third quarter and pushed this year's record production above 27 billion pounds for the first time in history. Steer dressed slaughter weights in September were averaging over 20 pounds above a year earlier, while heifer weights were nearly 15 pounds heavier than last year's record. Also pushing up production is a sharp increase in dairy cow slaughter as the industry culls larger numbers of less-efficient cows. Third-quarter dairy cow slaughter rose nearly 11 percent over a year earlier, while first-quarter slaughter was down 11 percent and spring slaughter was unchanged from a year earlier. Beef cow slaughter also rose in the third quarter, but less than 1 percent. Pressures resulting from the summer drought, declining forage conditions, and higher feed costs are likely to force continued large cow slaughter until spring. A more severe winter would force slaughter even higher.

Given larger slaughter and heavier weights, beef production this fall and into first-half 2003 have been raised, with production likely 1 percent above a year earlier. Although first-half beef production is forecast below 2002, significant year-to-year production declines won't occur until second-half 2003, and then are partially the result of comparisons with this year's record levels. Slaughter weights are likely to remain heavy, particularly if a larger proportion of carcasses grade Choice and higher.

Poultry

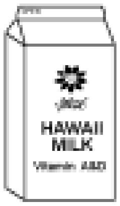
Third-Quarter Broiler Production Forecast at 8.225 Billion Pounds

With an expected 2-to 3-percent increase in the number of broilers slaughtered and an expected 2- to 2.5-percent increase in the average live weight per bird, broiler production in third-quarter 2002 is estimated at 8.225 billion pounds, 4.3 percent higher than in 2001. With higher domestic production and numerous disruptions in the export markets, more broiler meat has been available for the domestic market. This has led to record levels of consumption, but to sell this record amount of broiler meat has generally required lower prices. During the third-quarter of 2002, the 12-City whole bird price averaged 56.4 cents a pound, down almost 8 percent from the same period in 2001. Prices were even more depressed for leg meat. The average price for drumsticks and thighs in the third quarter in the Southern region were 36.2 and 37.4 cents a pound. This is a 31-percent decline for drumsticks and a 23-percent decline for thighs compared with a year earlier. However, not all prices were lower, breast meat in the Southern region averaged 83.4 cents a pound in the third quarter, a 7-percent increase from the previous year.

Recently, the impacts of low prices for most broiler products have started to be reflected in the number of broiler-type eggs going into incubators. Over the last 5 weeks, (September 14 to October 12) the average number of eggs placed in incubators has been down 3.9 percent from the previous year. Additionally, in the last 2 weeks, egg placements have been 4.2 percent below a year earlier. The normal time span for eggs being placed in incubators to a broiler reaching processing size is 9 to 10 weeks. Thus, eggs placed in incubators towards the beginning of October will have been hatched and grown out to processing size at the beginning of December. This slowdown in egg placements is expected to result in slower growth in broiler output in the fourth quarter, which is expected to be slightly over 8 billion pounds, only 2.1 percent higher than the previous year.

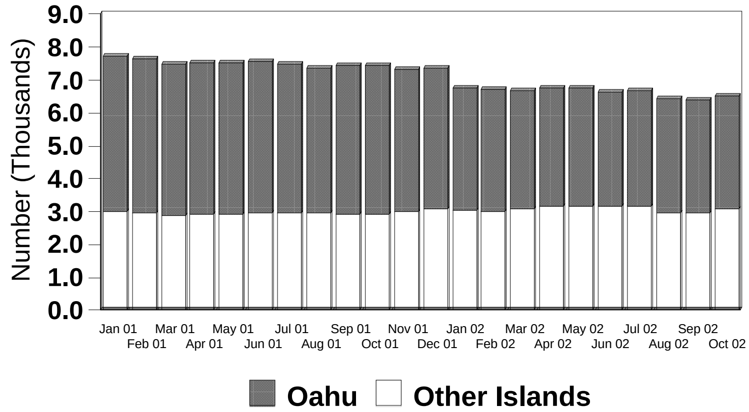
Source: ***Livestock, Dairy, and Poultry Outlook, October 17, 2002, Economic Research Service, United States Department of Agriculture.***

OCTOBER MILK DOWN



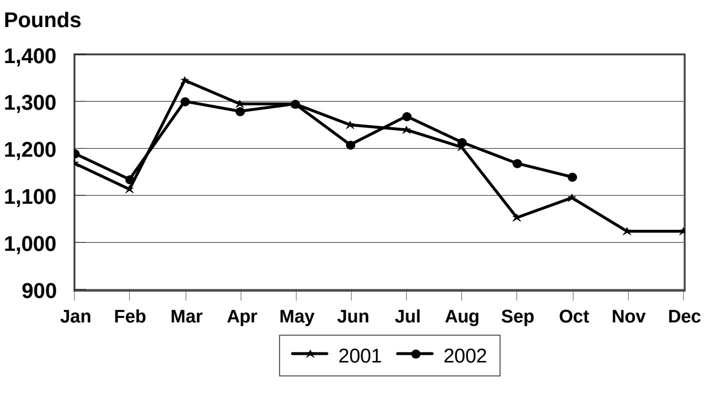
Hawaii's dairy cows produced **7.4** million pounds of milk in October compared with 8.1 million during the same month in 2001 and 7.5 million during the previous month. The cow inventory, both dry and in milk, numbered 6,500 head, 900 less than October 2001 but 100 more than September 2002. During October, cows averaged 1,140 pounds, 45 pounds more than October last year but 30 pounds less than September. Production for the the first ten months of 2002 was down 10 percent from the comparable period in 2001 to 81.4 million pounds.

Milk Cows
State of Hawaii, 2001-2002



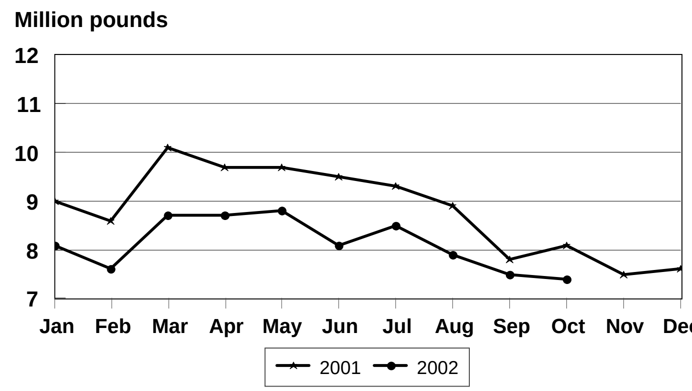
HASS

Milk Production Per Cow,
State of Hawaii, 2001-2002



HASS

Total Milk Production,
State of Hawaii, 2001-2002



HASS

Milk cows and milk production, State of Hawaii, October 2002

County	All milk cows [1,2,3]			Milk per cow [3]		Milk production [1,3]			
	Oct. 2001	Sep. 2002	Oct. 2002	Oct. 2001	Oct. 2002	Oct. 2001	Oct. 2002	Year-to-date 2001	Year-to-date 2002
	- - - - - - Number - - - - - -			- - - Pounds - - -		- - - - - - - - - - 1,000 pounds - - - - - - - - - -			
Hawaii	2,940	2,980	3,100	950	930	2,795	2,890	28,725	29,355
Honolulu	4,500	3,400	3,400	1,175	1,320	5,285	4,495	62,000	52,005
State	7,400	6,400	6,500	1,095	1,140	8,100	7,400	90,700	81,400

[1] State totals may not add due to rounding.
[2] Includes dry cows and cows on non-commercial dairy farms.
[3] Figures for 2001 are final but preliminary for 2002.

U.S. PRODUCTION UP 3.3 PERCENT

Milk production in the 20 major States during September totaled 11.8 billion pounds, up 3.3 percent from September 2001. August revised production, at 12.2 billion pounds was up 4.1 percent from August 2001. The August revision represented an increase of 0.2 percent or 27 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,510 pounds for September, 38 pounds above September 2001. The number of milk cows on farms in the 20 major States was 7.79 million head, 56,000 head more than September 2001, but 4,000 head less than August 2002.

Average farm prices, State of Hawaii, September 2002

Commodity		September 2001	August 2002	September 2002
		- - - - - - - - - - - -	cents per pound	- - - - - - - - - - - -
Range steers and heifers [1]	*- dressed weight*	76.0	77.0	76.0
	- (live weight equivalent)	(41.7)	(42.3)	(41.7)
Cows [1]	*- dressed weight*	50.0	52.0	53.0
	- (live weight equivalent)	(27.5)	(28.5)	(29.1)
Market hogs [1 2]	*- dressed weight*	112.0	114.0	113.5
	- (live weight equivalent)	(84.0)	(85.5)	(85.1)
		- - - - - - - - - -	dollars per 100 pounds	- - - - - - - - - -
Milk [3]		26.00	23.30	23.30
		- - - - - - - - - - - -	cents per dozen	- - - - - - - - - - - -
Eggs [4]		84.0	83.0	83.0

[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.