



HAWAII DEPARTMENT OF AGRICULTURE
P.O. BOX 22159
HONOLULU, HI 96823-2159

FACT FINDERS FOR AGRICULTURE

U.S. DEPARTMENT OF AGRICULTURE
Phone: (808) 973-9588
FAX: (808) 973-2909

FREQUENCY: Monthly

RELEASED: May 24, 2002

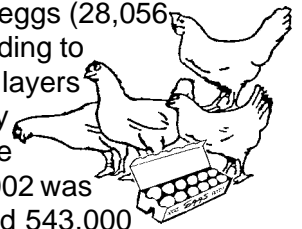
IN THIS ISSUE



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

APRIL EGG PRODUCTION 11 PERCENT BELOW YEAR AGO

Egg production during April, totaled 10.1 million eggs (28,056 cases) 11 percent less than a year earlier, according to the Hawaii Agricultural Statistics Service. Fewer layers on hand producing at a lower average rate of lay accounted for the decline in production. The average number of layers on hand during April 2002 was 545,000, compared with 602,000 a year ago and 543,000 during March 2002. The average rate of lay was 1,853 eggs per 100 layers (61.8 percent lay rate) compared with 1,894 (63.1 percent) a year ago. Cumulative egg production for the first 4 months of 2002 was 39.4 million eggs, 12 percent less than the same period in 2001.



U.S. EGG PRODUCTION

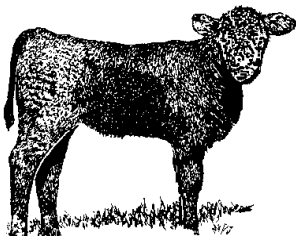
U.S. egg production totaled 7.08 billion during April 2002, down slightly from last year. Production included 5.99 billion table eggs and 1.09 billion hatching eggs, of which 1.03 billion were broiler-type and 62.0 million were egg-type. The total number of layers during April 2002 averaged 336 million, slightly lower than the average number of layers during April 2001. April egg production per 100 layers was 2,109 eggs, slightly higher than the 2,106 eggs in April 2001. April 2002 contained 22 weekdays, and four Saturdays, compared to 21 weekdays and four Saturdays in April 2001.

All layers in the U.S. on May 1, 2002 totaled 335 million, down 1 percent from a year ago. The 335 million layers consisted of 274 million layers producing table or commercial type eggs, 58.2 million layers producing broiler-type hatching eggs, and 2.71 million layers producing egg-type hatching eggs. Rate of lay per day on May 1, 2002, averaged 69.4 eggs per 100 layers, slightly higher than a year ago. Laying flocks in the 30 major egg producing States produced 6.64 billion eggs during April 2002, down slightly from a year ago. The average number of layers during April, at 314 million, was down 1 percent from a year earlier.

Number of layers and egg production, State of Hawaii, April 2002 1

Table with 10 columns: County, Number of layers on hand during month (Apr. 2001, Mar. 2002, Apr. 2002), Eggs per 100 layer (Apr. 2001, Apr. 2002), Total eggs produced (Apr. 2001, Apr. 2002, Year-to-date 2001, Year-to-date 2002). Rows include Hawaii/Kauai/Maui, Honolulu, and State.

1 State totals may not add due to rounding.



APRIL MARKETINGS 27 PERCENT ABOVE A YEAR AGO

Cattle marketings during April 2002 totaled 5,600 head, compared with 4,400 head a year ago and 3,900 head during March 2002. An increase in out-of-state shipments more than offset the decline in local slaughter to account for the 27 percent boost in overall marketings compared with a year earlier. Year-to-date marketings at 16,600 head was unchanged from the same 4-month period in 2001.

The number of cattle and calves shipped out-of-State totaled 4,700 head compared with 3,200 a year earlier and 2,900 during March. Out-of-state marketings during the first third of 2002 was 12,600 head, 7 percent above the same period in 2001.

Cattle Marketings, State of Hawaii, April 2002

Month	Total Marketings ¹		Exports ²						Average Live Weight	
	Number of Head ³		Number of Head				Total ³			
	2001	2002	Steers	2002	Heifers	2002	2001	2002	2001	2002
April	4,400	5,600	1,700	2,900	1,500	1,800	3,200	4,700	420	390
Year-to-date ⁴	16,600	16,600	6,600	7,400	5,200	5,200	11,800	12,600	440	420

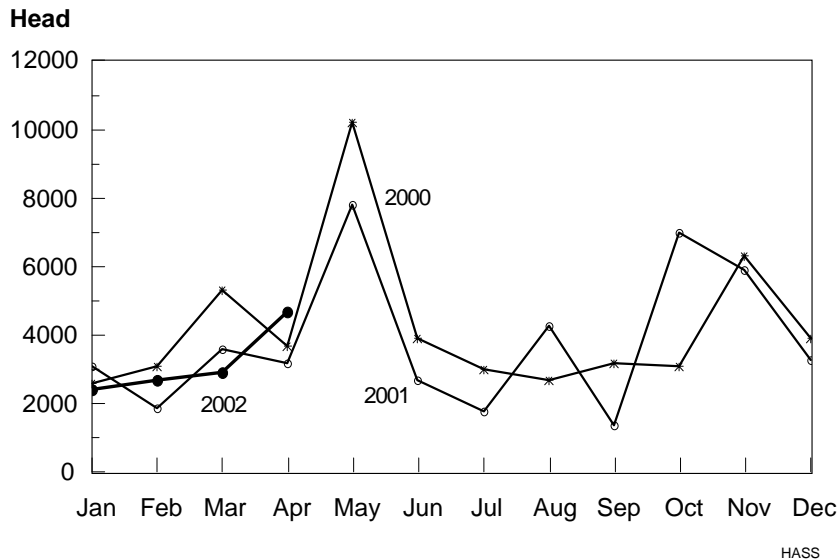
¹ Sum of Commercial Slaughter and Exports.

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	Heifers
	(1,100 - 1,300 pounds)	(1,000 - 1,200 pounds)
from California		
4-20-02	—	—
5-4-02	—	—
from Sioux Falls		
4-20-02	68.75	66.75
5-4-02	68.75	64.75

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

DONALD A. MARTIN

State Agricultural Statistician

REGINA W. HIDANO

Agricultural Statistician

NILS K. MORITA

Research Statistician

JOYCE JAY

Statistical Assistant

KAREN A. LEE

Statistical Assistant

Contributing by County

James Yamaki	Hawaii
Robert Miyake	Hawaii
Naomi Landgraf	Maui
June Okamura	Kauai, Honolulu
Wendell Au	Honolulu

PASTURE AND LIVESTOCK CONDITION, MAY 1, 2002



Hawaii County

Hilo and Puna: A relatively dry April with rainfall totals ranging between 32 percent of normal at Pahoa to 76 percent at Mountain View, in

combination with warmer, longer daylight hours helped stimulate new grass growth. Forage supplies were improved and in fair to good condition, except along the upper elevations of Mauna Kea, where feed supplies were still in short supply. Heavy rains which occurred toward month's end may help pastures during May. Cattle and calves were in fair to good condition.

Ka'u: Frequent 'April showers' throughout the month improved pasture conditions and promoted new grass growth. The two rain gages stationed in Ka'u registered rainfall totals well above normal for the month, especially with the rains that occurred at the end of the month. Those rains helped to maintain pastures in fair to excellent condition throughout the district. Even the previously drier sectors in Pahala and Naalehu were showing good signs of forage regrowth. Cattle and calves were in fair to very good condition.

Kona: Although conditions were dry, most pastures were in fair condition. Feed availability, however, was limited to old forage on hand as new grass growth stalled because of the dry conditions. The rain gage stations in Kona recorded rainfall totals between 2 and 47 percent of normal for the month. Cattle and calves were in fair to good condition. Livestock continued on some supplements.

Kohala: Except for a couple rain gage stations in Kohala, which recorded receiving rainfall amounts well above normal, most sectors received rainfall between 25 percent and 36 percent of normal. Although rainfall along the upper elevation areas around Kohala Mountain was light, they were frequent enough to benefit and maintain pastures in fair to good condition. Forage supplies were still adequate. Lower leeward elevation pastures, on the other hand, were drying. Rains received at month's end were also beneficial. The invasion of the Senecio weed continues to intrude on western pastures. Stock water supplies were adequate. Cattle and calves were in fair to good condition. Some supplements were still being fed.

Hamakua: Although April was dry, soil moisture received during the previous month, along with rainfall at the end of the month, helped to maintain pastures in

fair to good condition. Even at the upper elevations warmer, sunnier periods during April, along with rainfall from the previous month, helped to stimulate pasture recovery. Most pastures were in fair to good condition with a good supply of forage feed. Cattle and calves were in fair to good condition.

Honolulu County

April was a drier month, as all rain gage stations recorded below normal rainfall, except for the Kahuku gage which recorded normal totals for the month. Leeward pastures were in fair condition, as a result of rainfall received in March. Elsewhere most pastures continued in fair to good condition. In general, rainfall totals ranged from about 30 to 70 percent of normal for most agricultural areas. Cattle and calves were in fair to good condition.

Kauai County

Following a wet March, the month of April was relatively dry. This relative dryness combined with timely light showers afforded pastures a chance to dry out and new grass to grow. Hanapepe was the only area on the island to receive normal rainfall, as rainfall totals elsewhere were below 50 percent of normal with Wainiha registering only 20 percent of normal. Pastures remained in fair to good condition. Cattle and calves were in good condition.

Maui County

The lack of normal trade winds, during April, kept rainfall totals well below normal, less than 50 percent, for those rain gage stations that are normally exposed to trade wind showers. This unusual condition, however, generated above normal rainfall along the western slopes of Haleakala in Kula, Ulupalakua, and Kihei. As a result, pasture conditions were much improved, but still ranged from poor to good. Although rainfall was light over windward grazing areas, pasture conditions were rated fair to good because of ample precipitation which occurred in the previous months. Although not limited to this area only, many pastures located between Haiku and Ulupalakua were infested with fireweed. 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

Meat Production in 2003 To Be About Unchanged

Red meat and poultry production in 2003 is forecast at about 84.5 billion pounds, about the same as this year and up 2 percent from 2001. Continuing moderate increases in broiler and pork production, helped by expectations of continuing low feed costs, will offset the expected decline in beef production as heifers are retained from this year's calf crop and 7 continuous years of herd reduction.

With red meat and poultry supplies are expected to be near record levels, an expected modest rebound in exports and the expanding economy in 2003 should keep prices fractionally higher, with the exception of rising cattle prices. Prices for both feeder and fed cattle are expected to post gains as supplies continue to decline.

Meat exports are expected to increase about 6 percent in 2003 from expected 2002 levels as all major meats register gains. Stronger economic growth in 2003 is expected for major U.S. meat customers. This year, poultry and pork exports are expected to decline, while beef exports should remain near 2001 levels. Poultry exports are lower largely due to the Russian ban on U.S. poultry products, where pork exports are down due to lackluster economies of major customers. Imports of cattle and hogs are expected to edge slightly higher in 2003.

Growth in milk production is expected to slow a bit in 2003, as the effects of lower returns in 2002 and 2003 start to take hold. Even so, milk output is projected to rise 1-2 percent in 2003, following an increase of almost 3 percent in 2002. This extra production is expected to hold farm milk prices near 2002's reduced levels, even if dairy demand is able to shake off its current sluggishness.

Egg production is expected to increase about 1 percent in 2003 with the greater demand for both table and hatching eggs. Egg prices are expected to be about the same as in 2001.

Beef Supply Decline Hinges on Forage Recovery

Great contrasts in the cattle sector have occurred in 2001 and 2002. First-half 2001 had the worst weather conditions cattlemen have faced since 1992/93, while 2002 has been one of the most favorable. Over-riding this contrast is the fact that the cattle inventory has declined since 1996, a trend almost certain to continue over the next couple of years. Beef production is going to remain large through mid-summer, but moisture-forage conditions will largely determine production levels in fourth-quarter 2002 and first-half 2003.

Beef Production in 2003 Tied To Grazing Conditions

Although a number of areas remain dry, recent rains increase the likelihood of a return to near-normal grazing conditions following 4 years of relatively dry

conditions in most of the major grazing areas. Hay stocks on May 1 were up 7 percent from a year earlier, largely the result of an increased 2001 harvest. However, disappearance of hay over the last 6 months were up 4 percent in spite of the relatively mild winter, reflecting the dry conditions and poor grazing in much of the country. April hay prices rose sharply from March and remained above a year earlier, reflecting the tightness in available supplies. Producers have indicated intentions to increase harvested hay acreage this year.

A return to more normal grazing will result in more heifers being retained in second-half 2002 and in 2003. However, many of the heifers that might have been bred this year have already been placed on feed. Heifer slaughter remains above year-earlier levels, although beef cow slaughter has declined from the relatively large weather-induced levels of a year earlier. Increased heifer retention, declining cattle inventories since 1996, and a 7-percent increase in first-quarter placements are expected to result in declining feedlot placements this spring and for much of the next couple of years. Feeder cattle supplies on April 1 were down nearly 1 percent from a year earlier. The key to declining placements and consequently reduced beef production beginning this fall will be continued favorable grazing prospects this spring and summer.

Large first quarter placements and record slaughter weights have pushed 2002 production levels above 2001, but still 2 percent below the 2002 record. Thus, with reduced placements over the next few quarters, fourth-quarter beef production is expected to decline about 5 percent, following year-to-year production gains of near 3 percent in the first three quarters of the year. Beef production in 2003 is expected to decline 4 to 5 percent to the lowest level since 1995, as marketings fall and commercial slaughter weights remain near this year's record. Cow slaughter, following a slight upward increase in 2001, is expected to decline below 5 million head this year and continue a modest decline in 2003 as more cows are retained for an additional calving.

Per Capita Beef Availability To Decline

Declining beef production in 2003, plus a modest rise in beef exports will result in a nearly 4-pound drop in per capita consumption in 2003, the lowest in several decades. Modest increases in imported lean beef will help offset the continued decline in lean cow beef production. Continued strong demand for higher grading beef will result in more cattle being fed into the higher grades, resulting in less lean Select beef available for the hamburger-processed beef market.

Source: Livestock, Dairy and Poultry Outlook, May 15, 2002, Economic Research Service, United States Department of Agriculture.

Livestock Operations Face Greater Restriction

Take an AFO, concentrate it to make a CAFO, mix in some NPDES and TMDL, and you have a brew that more livestock and poultry producers may have to imbibe in the near future. These terms are defined in current and proposed regulations, and their related requirements can affect an operation's facilities, practices, and costs. Behind the terms is an increasing public interest and government effort to reduce actual and potential pollution from animal manure.

According to the U.S. Environmental Protection Agency, an **AFO** is an **A**nimal **F**eeding **O**peration that meets the following criteria:

- Animals have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period.
- Crops, vegetation, forage growth, or postharvest residues are not sustained in the normal growing season over any portion of the lot or facility.

A **CAFO** or **C**oncentrated **A**nimal **F**eeding **O**peration is currently defined by EPA as an AFO that:

- confines more than 1,000 animal units (AU's), where 1,000 AU's are defined as 1,000 slaughter and feeder cattle, 700 mature dairy cows, 2,500 swine each weighing more than 25 kilograms, 30,000 laying hens or broilers (if a facility uses a liquid manure system), or 100,000 laying hens or broilers (if a facility uses continuous overflow watering);
- confines between 300 and 1,000 AU's and discharges pollutants into waters through a manmade ditch, flushing system, or similar manmade device, or directly into waters that pass through the facility.

CAFO's are considered point sources (specific, identifiable pollutant sources) in EPA's **N**ational **P**ollutant **D**ischarge **E**limination **S**ystem (**NPDES**) program, and in theory need permits to operate. The current CAFO definition contains an exemption for facilities that discharge only in the event of a 25-year, 24-hour storm event.

To mitigate actual and potential water quality impacts posed by large animal feeding operations, EPA has proposed revised regulations for CAFO's. Among the major proposed changes for the NPDES permit and Effluent Limit Guidelines are:

- change in size thresholds for determining which animal feeding operations are considered CAFO's and therefore require a permit (one option would include all AFO's over 300 AU's);
- elimination of the 25-year / 24-hour storm exemption;
- making a nutrient management plan part of the NPDES permit, which would cover land application of animal waste;
- adopting a zero discharge requirement with no overflow allowance for swine, veal, and poultry

CAFO's; and

- requiring installation of depth markers for open liquid impoundments.

USDA has increased and enhanced the assistance available in recent years to livestock producers for nutrient management planning and storage. In addition, more research on alternative uses of manure and alternative storage technologies could help alleviate problems in the future.

EPA estimates that up to 44,000 operations might be covered by the proposed regulations, depending on the size thresholds that are finally put in place. Currently, about 12,000 operations are of sufficient size to be considered CAFO's, but only about 3,900 (33 percent) actually have permits.

EPA is also proposing increased use of the **T**otal **M**aximum **D**aily **L**oad (**TMDL**) provisions of the Clean Water Act (33 U.S.C. § 1313 (d)). A TMDL is a calculation of the maximum amount of a pollutant that a water body can receive and still meet water quality standards, and an allocation of that amount to the pollutant's sources. The TMDL provisions are intended to be the second line of defense for protecting the quality of surface water resources. When technology-based controls on point sources are inadequate for water to meet State water quality standards, Section 303(d) of the Clean Water Act requires states to identify those waters and to develop TMDL's. The TMDL for the watershed is the sum of individual wasteload allocations for point sources, load allocations for nonpoint sources and natural background, and a margin of safety. Wasteload allocations for point sources are enforced through NPDES discharge permits. Load allocations for nonpoint sources are not currently regulatory, but can be met through voluntary approaches.

Proposed revisions to TMDL regulations would require TMDL's for impaired waters even where the sole source of impairment is nonpoint source pollution, and "reasonable assurance" that the load allocation (for nonpoint source such as agriculture) will in fact be implemented. Demonstration of reasonable assurance must show that management measures or other control actions address the particular pollutant, and that they are implemented.

While not creating new authorities, the proposed changes would focus attention on the role pollution from AFO's (and the rest of agriculture) plays in contributing to water quality impairment, and could be an incentive for states to elevate pressure on AFO's to adopt alternative management practices. There are more than 20,000 waters identified nationally as being impaired and possibly requiring a TMDL. The top impairments in 1998 were sediment, nutrients, and pathogens. AFO's can be a source of all three pollutants.

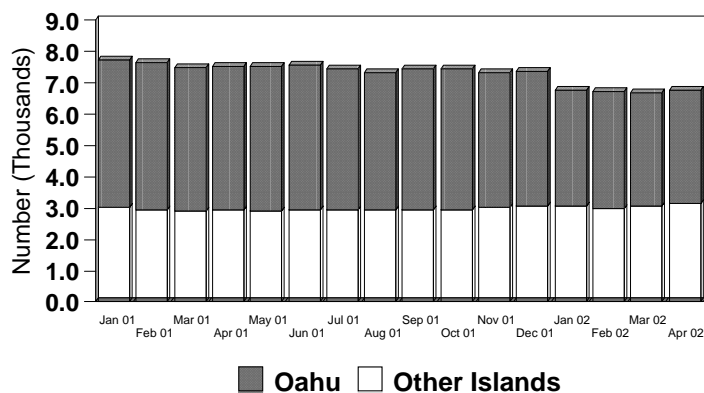
Source: Agricultural Outlook, April 2002, Economic Research Service, United States Department of Agriculture.

APRIL OUTPUT UNCHANGED FROM MARCH



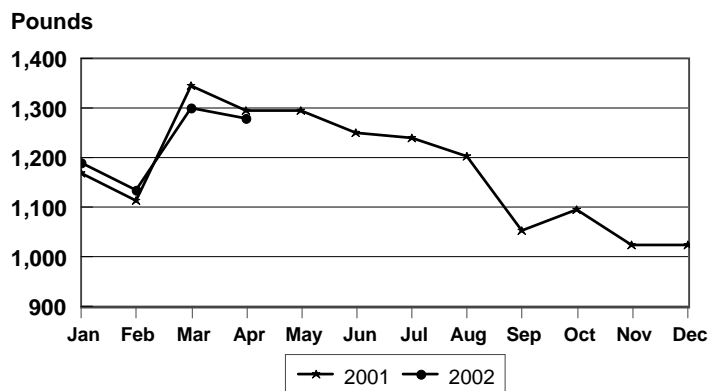
Hawaii's dairy cows produced **8.7 million pounds** in April, down 1.0 million pounds from April 2001 but unchanged from March 2002. The cow inventory, both dry and in milk, numbered 6,800 head, 700 less than April 2001 but 100 greater than March 2002. April average output per cow was 1,280 pounds, down 15 pounds from April last year and 20 pounds less than March. Production for the first four months of 2002 was down 11 percent from the comparable period in 2001 to 33.1 million pounds.

Milk Cows State of Hawaii, 2001-2002



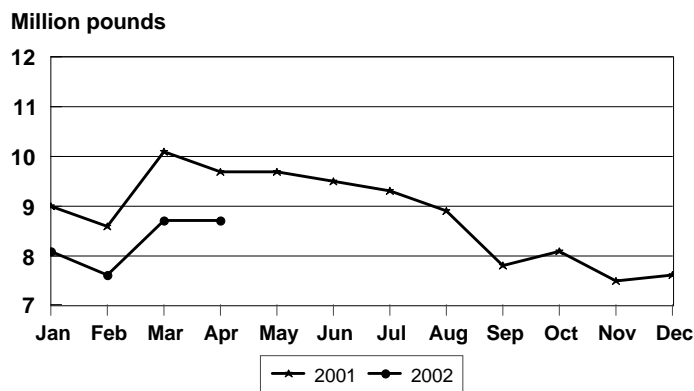
HASS

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, April 2002

County	All milk cows ^{1,2,3}			Milk per cow ³		Milk production ^{1,3}			
	Apr. 2001	Mar. 2002	Apr. 2002	Apr. 2001	Apr. 2002	Apr. 2001	Apr. 2002	Year-to-date	
	----- Number -----			--- Pounds ---		----- 1,000 pounds -----			
Hawaii	2,940	3,090	3,150	1,000	950	2,940	2,990	11,430	11,735
Honolulu	4,600	3,600	3,600	1,480	1,595	6,800	5,745	25,945	21,450
State	7,500	6,700	6,800	1,295	1,280	9,700	8,700	37,400	33,100

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 2.9 PERCENT

Milk production in the 20 major States during April totaled 12.5 billion pounds, up 2.9 percent from April 2001. March revised production, at 12.8 billion pounds was up 3.1 percent from March 2001. The March revision represented a decrease of 7 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,614 pounds for April, 43 pounds above April 2001. The number of milk cows on farms in the 20 major States was 7.75 million head, 12,000 head more than April 2001, and 8,000 head more than March 2002.

Average farm prices, State of Hawaii, April 2002

Commodity	April 2001	March 2002	April 2002
	----- cents per pound -----		
Range steers and heifers ¹			
- dressed weight	79.0	78.0	80.0
- (live weight equivalent)	(43.4)	(42.8)	(43.9)
Cows ¹			
- dressed weight	51.0	54.0	54.5
- (live weight equivalent)	(28.0)	(29.6)	(29.9)
Market hogs ^{1 2}			
- dressed weight	111.0	113.5	113.5
- (live weight equivalent)	(83.3)	(85.1)	(85.1)
	----- dollars per 100 pounds -----		
Milk ³	24.90	23.70	23.80
	----- cents per dozen -----		
Eggs ⁴	85.0	85.5	86.0

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.