FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)
/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2000

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______________ to _______________

Commission file number 0-565

ALEXANDER & BALDWIN, INC.
(Exact name of registrant as specified in its charter)

HAWAII	99-0032630
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P. O. BOX 3440, HONOLULU, HAWAII	96801
822 BISHOP STREET, HONOLULU, HAWAII	96813
(Address of principal executive offices)	(Zip Code)

(808) 525-6611
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/ No / /

Number of shares of common stock outstanding as of March 31, 2000: 41,589,876

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed financial statements and notes for the first quarter of 2000 are presented below.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF INCOME
(In thousands except per share amounts)

	Three Months Ended March 31 2000	1999
	(unaudited)	
Revenue:		
Net sales, revenue from services and rentals	$ 214,467	$ 191,065
Interest, dividends and other	5,424	6,377
Total revenue	219,891	197,442
Costs and Expenses:		
Costs of goods sold, services and rentals	170,576	144,649
Selling, general and administrative	22,262	23,125
Interest	5,347	4,527
Income taxes	7,525	9,303
Total costs and expenses	205,710	181,604
Income before cumulative effect of change in accounting method	14,181	15,838
Cumulative effect of change in accounting method for drydocking costs (net of income taxes of $7,668) (note d)	12,250	--
Net Income	$ 26,431	$ 15,838
Basic and Diluted Earnings Per Share:		
Before cumulative effect of accounting change	$ 0.34	$ 0.36
Accounting change (note d)	0.29	--
Net income	$ 0.63	$ 0.36
Dividends Per Share	$ 0.225	$ 0.225
Average Number of Shares Outstanding	42,131	43,559

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
INDUSTRY SEGMENT DATA
(In thousands)

	Three Months Ended March 31 2000	1999
	(unaudited)	
Revenue:		
Ocean Transportation	$ 190,513	$ 169,195
Property Development and Management:		
Leasing	11,896	11,587
Sales	3,052	7,932
Food Products	13,666	8,002
Other	764	726
Total Revenue	$ 219,891	$ 197,442
Operating Profit:(1)		
Ocean Transportation	$ 19,893	$ 18,265
Property Development and Management:		
Leasing	7,184	7,622
Sales	701	5,540
Food Products	2,068	1,471
Other	709	650
Total Operating Profit	$ 30,555	$ 33,548

(1)Before interest expense, corporate expenses and income taxes.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED BALANCE SHEETS
(In thousands)

	MARCH 31 2000 (unaudited)	December 31 1999 (audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 5,800	$ 3,333
Accounts and notes receivable, net	128,790	136,637
Inventories	23,724	15,927
Real estate held for sale	9,837	12,706
Deferred income taxes	12,400	16,260
Prepaid expenses and other assets	14,550	20,739
Accrued deposits to Capital Construction Fund	(2,801)	(3,152)
Total current assets	192,300	202,450
Investments	160,675	158,726
Real Estate Developments	60,279	60,810
Property, at cost	1,757,897	1,748,586
Less accumulated depreciation and amortization	827,035	819,959
Property - net	930,862	928,627
Capital Construction Fund	143,927	145,391
Other Assets	68,820	65,456
Total	$1,556,863	$1,561,460
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	$ 17,500	$ 22,500
Accounts payable	57,740	55,655
Other	47,495	64,490
Total current liabilities	122,735	142,645
Long-term Liabilities:		
Long-term debt	309,809	277,570
Post-retirement benefit obligations	47,544	60,767
Other	44,488	51,161
Total long-term liabilities	401,841	389,498
Deferred Income Taxes	362,353	358,354
Shareholders' Equity:		
Capital stock	34,175	34,933
Additional capital	54,522	53,124
Unrealized holding gains on securities	50,172	49,461
Retained earnings	543,243	545,849
Cost of treasury stock	(12,178)	(12,404)
Total shareholders' equity	669,934	670,963
Total	$1,556,863	$1,561,460

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31	
	2000	1999
	(unaudited)	
Cash Flows from Operating Activities	$ 23,001	$ 29,250
Cash Flows from Investing Activities:		
Capital expenditures	(19,759)	(13,412)
Proceeds from disposal of property, investments and other assets	182	2,198
Deposits into Capital Construction Fund	(2,664)	(1,765)
Withdrawals from Capital Construction Fund	3,777	930
Change in investments, net	719	(810)
Net cash used in investing activities	(17,745)	(12,859)
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	34,500	5,000
Payments of long-term debt	(2,500)	(18,195)
Payments on short-term commercial paper borrowings, net	(5,000)	(47,000)
Proceeds from issuances of capital stock	--	54
Repurchases of capital stock	(20,260)	(15,792)
Dividends paid	(9,529)	(9,792)
Net cash used in financing activities	(2,789)	(85,725)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 2,467	$ (69,334)
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	$ 5,197	$ 4,446
Income taxes paid, net of refunds	821	962
Other Non-Cash Information:		
Accrued deposits to (withdrawals from) Capital Construction Fund, net	(351)	930
Depreciation	17,111	19,630
Tax-deferred property sales	--	5,682
Change in unrealized holding gains	711	(8,498)

FINANCIAL NOTES
(Unaudited)

(a) The condensed balance sheet as of March 31, 2000 and the condensed statements of income and of cash flows for the three months ended March 31, 2000 and 1999 are unaudited. Because of the nature of the Company's operations, the results for interim periods are not necessarily indicative of results to be expected for the year, but in the opinion of management, all material adjustments necessary for the fair presentation of interim period results have been included in the interim financial statements.

(b) Estimated effective annual income tax rates differ from statutory rates, primarily due to the dividends-received deduction, various tax credits and the donation of appreciated stock.

(c) The Company's total non-owner changes in shareholders' equity consist of net income adjusted for unrealized holding gains (losses) on securities (other comprehensive income). On this basis, comprehensive income for the three months ended March 31, 2000 and 1999 was $27 million and $7 million, respectively.

(d) The cumulative effect of an accounting change in the first quarter of 2000 related to the treatment of vessel drydocking costs. The Company changed its method of accounting for these costs from the accrual method to the deferral method. Drydocking costs had been accrued as a liability and an expense on an estimated basis, in advance of the next scheduled drydocking. Under the deferral method, actual drydocking costs are capitalized when incurred and amortized over the period to the next drydocking. The new method amortizes the costs over the period of benefit and eliminates the uncertainty in estimating these costs. This change was made to conform with prevailing industry accounting practices. The cumulative effect of this accounting change, as of January 1, 2000, is shown separately in the condensed statements of income and resulted in income of $12,250,000 (net of income tax expense of $7,668,000), or $0.29 per share.

The effect of this change in accounting method as of January 1, 2000, on the condensed balance sheets, was to increase other assets by $4,765,000, eliminate drydocking reserves of $15,153,000, increase deferred taxes by $7,668,000, and increase total shareholders' equity by $12,250,000.

The pro forma net income (assuming the new accounting method was applied retroactively) for the first quarter of 2000 is $14,181,000 (or $0.34 per share). The pro forma effect of this accounting change to first-quarter 1999 net income was not material.

(e) Certain amounts have been reclassified to conform with the current year's presentation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
- ---

FIRST QUARTER EVENTS:

OPERATING RESULTS: Net income for the first quarter of 2000 was $26,431,000, or $0.63 per share, after an accounting change. The accounting change resulted in a one-time, non-cash increase to first-quarter 2000 earnings of $12,250,000, or $0.29 per share. Excluding this change, first-quarter 2000 income was $14,181,000, or $0.34 per share. In the first quarter of 1999, income was $15,838,000, or $0.36 per share. Revenue in the first quarter of 2000 was $219,891,000, compared with revenue of $197,442,000 in the first quarter of 1999.

FINANCIAL CONDITION AND LIQUIDITY

The Company's principal liquid resources, comprising cash and cash equivalents, receivables, sugar and coffee inventories and unused lines of credit, less accrued deposits to the Capital Construction Fund (CCF), totaled $251,222,000 at March 31, 2000, a decrease of $2,139,000 from December 31, 1999. This net reduction was due primarily to a decrease in receivables and in amounts available under lines of credit, partially offset by an increase in sugar and coffee inventories and cash. Receivables decreased $7,847,000, due primarily to improved collections and to the timing of the sugar-harvesting season in 1999. Amounts available under lines of credit decreased $4,501,000, due primarily to an increase in outstanding debt. Sugar and coffee inventories increased $7,391,000, due primarily to the timing of the sugar-harvesting season in 1999.

Working capital was $69,565,000 at March 31, 2000, an increase of $9,760,000 from the amount at the end of 1999. This net increase was due primarily to decreases in short-term liabilities and notes payable, and to an increase in inventories, partially offset by decreases in income taxes and trade receivables. The decrease in short-term liabilities was due primarily to the elimination of vessel drydocking accruals (see Note d to the Company's condensed financial statements).

RESULTS OF SEGMENT OPERATIONS -
FIRST-QUARTER 2000 COMPARED WITH THE FIRST-QUARTER 1999

OCEAN TRANSPORTATION revenue of $190,513,000 for the first quarter of 2000 increased 13 percent from the comparable period in 1999 and operating profit of $19,893,000 increased nine percent from the first quarter of 1999. The improvements were due primarily to higher cargo volume in the Hawaii service, resulting from competitive gains, partially offset by higher operating costs, principally for fuel, container handling and container repositioning. Increases to a bunker fuel surcharge should help to offset unfavorable fuel cost variances in the future, and container inventory imbalances resulting from labor disruptions in the fall of 1999 have been significantly reduced. Matson Navigation Company's first-quarter 2000 Hawaii service container volume was five-percent higher than in the 1999 first quarter and Hawaii automobile volume was 72-percent higher. The sizeable increase in automobile volume was due primarily to competitive gains.

PROPERTY DEVELOPMENT AND MANAGEMENT - LEASING revenue of $11,896,000 for the first quarter of 2000 was three-percent higher than in the first quarter of 1999; however, operating profit of $7,184,000 was six-percent lower than in the first quarter of 1999. The decrease in operating profit was primarily due to a one-time buyout of a long-term ground lease in the first quarter of 1999, partially offset by first-quarter 2000 improvements, resulting from recently acquired properties and higher portfolio occupancy levels. First-quarter 2000 occupancy levels for Mainland properties averaged 95 percent, versus 92 percent in the first quarter of 1999. Occupancy levels for Hawaii properties averaged 84 percent in the first quarter of 2000, versus 72 percent in the comparable period of 1999. The increase in Hawaii occupancy was due primarily to higher tenancy in retail and warehouse properties.

PROPERTY DEVELOPMENT AND MANAGEMENT - SALES revenue of $3,052,000 for the first quarter of 2000 was $4,880,000 less than in the first quarter of 1999. Likewise, operating profit of $701,000 in the first quarter of 2000 was lower than the $5,540,000 recorded in the same period in 1999. Both decreases were due to differences in the mix of property sales. Sales in the first quarter of 2000 included nine residential properties and two lots in a business park. Sales activity in the first quarter of 1999 included three business parcels and eight residential properties.

The mix of property sales in any year or quarter can be diverse. Sales can include property sold under threat of condemnation, developed residential real estate, commercial properties, developable subdivision lots and undeveloped land. The sale of undeveloped land and subdivision lots generally provides a greater contribution margin than does the sale of developed and commercial property, due to the low historical-cost basis of the Company's Hawaii land. Consequently, property sales revenue trends and the amount of real estate held for sale on the balance sheets do not necessarily indicate future profitability trends for this segment.

FOOD PRODUCTS revenue of $13,666,000 for the first quarter of 2000 was 71-percent higher than the revenue reported for the comparable period of 1999. The increase in revenue was due primarily to the timing of the sugar-harvesting season in 1999 and to improved coffee sales volume. Operating profit of $2,068,000 increased 41 percent from that in the first quarter of 1999. This improvement was due primarily to improved coffee results, effectuated by the lower cost structure, and to higher power sales. Despite improvements in the first quarter of 2000, food products results for the remainder of the year are expected to lag those of 1999, due to lower raw sugar prices.

OTHER MATTERS

ACCOUNTING CHANGE: The Company recorded an accounting change of $12,250,000 (after-tax) in the first quarter of 2000, relating to the treatment of vessel drydocking costs. The Company changed its method of accounting for these costs from the accrual method to the deferral method. This change was made to conform to prevailing industry accounting practices (see Note d to the Company's condensed financial statements).

CORPORATE ORGANIZATION: The Company merged its wholly owned subsidiary, A&B-Hawaii, Inc., into the Company on December 31, 1999. This merger had no adverse impacts on operations or consolidated assets and obligations.

TAX-DEFERRED REAL ESTATE EXCHANGES: There were no tax-deferred real estate purchases or sales in the first quarter of 2000.

SHARE REPURCHASES: In the first quarter of 2000, the Company repurchased 1,011,000 shares of its common stock for an aggregate of about $20,260,000 (average of $20.04 per share).

ENVIRONMENTAL MATTERS: As with most industrial and land-development companies of its size, the Company's operations have certain risks, which could result in expenditures for environmental remediation. The Company believes that it is in compliance, in all material respects, with applicable environmental laws and regulations, and works proactively to identify potential environmental concerns. Management believes that appropriate liabilities have been accrued for environmental matters.

ECONOMIC CONDITIONS: The economic outlook for the state of Hawaii continues to improve. The State of Hawaii's Department of Business, Economic Development & Tourism (DBEDT) recently introduced an index of leading economic indicators. This measure continues to rise. Through January 2000, the most up-to-date figure available, the index was higher for the tenth consecutive month and it now has risen in 14 of the past 16 months. Some economic measures already are reflecting the improving outlook, such as unemployment and jobs. In its March 2000 outlook, DBEDT raised its projections for growth in real gross state product for the year 2000 to 2.5% (from 2.2% in its December 1999 outlook), for 2001 to 2.7% (from 2.0%), and for 2002 to 2.6% (from 1.9%). The external factors cited for raising the projections were the continuing strength of the U.S. Mainland economy and improvement in the Asian economies. Rising growth in visitor arrivals is anticipated, with the projection for growth in 2000 now at 2.3% percent. This is the net result of continued growth in the number of arrivals from the U. S. Mainland, offset, in part, by a diminishing rate of decrease in visitor arrivals from Japan.

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The Company, from time to time, may make or may have made certain forward-looking statements, whether orally or in writing, such as forecasts and projections of the Company's future performance or statements of management's plans and objectives. Such forward-looking statements may be contained in, among other things, Securities and Exchange Commission (SEC) filings, such as the Forms 10-Q, press releases made by the Company and oral statements made by the officers of the Company. Except for historical information contained in these written or oral communications, such communications contain forward-looking statements. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected in the statements, including, but not limited to: (1) economic conditions in Hawaii and elsewhere; (2) market demand; (3) competitive factors and pricing pressures in the Company's primary markets; (4) legislative and regulatory environments at the federal, state and local levels, such as government rate regulations, land-use regulations, government administration of the U.S. sugar program, and modifications to or retention of cabotage laws; (5) dependence on third-party suppliers; (6) fuel prices; (7) raw sugar prices; (8) labor relations; (9) risks associated with current or future litigation; and (10) other risk factors described elsewhere in these communications and from time to time in the Company's filings with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is incorporated herein by reference to Item 7A of the Company's Form 10-K for the fiscal year ended December 31, 1999. There has been no material change in the quantitative and qualitative disclosure about market risk since December 31, 1999.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11. Statement re Computation of Per Share Earnings.

18. Letter re Change in Accounting Principles.

27. Financial Data Schedule.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALEXANDER & BALDWIN, INC.
(Registrant)

Date: May 12, 2000

/s/ G. Stephen Holaday

G. Stephen Holaday
Vice President and Acting
Chief Financial Officer

Date: May 12, 2000

/s/ Thomas A. Wellman

Thomas A. Wellman
Controller

EXHIBIT INDEX

11. Statement re Computation of Per Share Earnings.

18. Letter re Change in Accounting Principles.

27. Financial Data Schedule.

EXHIBIT 11

ALEXANDER & BALDWIN, INC.
COMPUTATION OF EARNINGS PER SHARE
(In thousands, except per share amounts)

	Three Months Ended March 31	
	2000	1999
Basic Earnings Per Share		
Net income	$ 26,431	$ 15,838
Average number of shares outstanding	42,131	43,559
Basic earnings per share	$ 0.63	$ 0.36
Diluted Earnings Per Share		
Net income	$ 26,431	$ 15,838
Average number of shares outstanding	42,131	43,559
Effect of assumed exercise of outstanding stock options	--	--
Average number of shares outstanding after assumed exercise of outstanding stock options	42,131	43,559
Diluted earnings per share	$ 0.63	$ 0.36

May 12, 2000

Alexander & Baldwin, Inc.
822 Bishop Street
Honolulu, Hawaii 96801-3440

At your request, we have read the description included in your Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended March 31, 2000, of the facts relating to your change in accounting for drydocking costs from accruing and expensing such costs in advance to deferring such costs when incurred and amortizing them over the period to the next drydocking. We believe, on the basis of the facts so set forth and other information furnished to us by appropriate officials of the Company, that the accounting change described in your Form 10-Q is to an alternative accounting principle that is preferable under the circumstances.

We have not audited any consolidated financial statements of Alexander & Baldwin, Inc. and its consolidated subsidiaries as of any date or for any period subsequent to December 31, 1999. Therefore, we are unable to express, and we do not express, an opinion on the facts set forth in the above-mentioned Form 10-Q, on the related information furnished to us by officials of the Company, or on the financial position, results of operations, or cash flows of Alexander & Baldwin, Inc. and its consolidated subsidiaries as of any date or for any period subsequent to December 31, 1999.

Yours truly,

/s/ Deloitte & Touche LLP

The schedule contains summary financial information extracted from the condensed balance sheet as of March 31, 2000 and the condensed statement of income for the three months ended March 31, 2000 and is qualified in its entirety by reference to such financial statements.

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DEC-31-2000
MAR-31-2000
(6,200)
12,000
128,790
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23,724
192,300
1,757,897
827,035
1,556,863
122,735
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34,175
635,759
1,556,863
214,467
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