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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY TO DETERMINE THE  
MULTIPLIER EFFECT OF THE AGRICULTURAL INDUSTRY IN HAWAII'S  
ECONOMY.

1           WHEREAS, the common measure of agricultural activities is  
2 the farmgate value of agricultural production; and

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4           WHEREAS, using the farmgate value of the sales of  
5 agricultural products does not provide an accurate or  
6 comprehensive indication of the contribution of the agricultural  
7 industry to the economy of the State; and

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9           WHEREAS, while sugarcane production has declined and  
10 pineapple production has remained relatively stable, the sales  
11 value of diversified agriculture production has increased to  
12 make up nearly seventy per cent of total farm production; and

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14           WHEREAS, there is a need for business and government policy  
15 makers to have information to determine the multiplier effect of  
16 increases or decreases in agricultural production on employment,  
17 purchases agricultural inputs, and consumer spending on goods  
18 and services; and

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20           WHEREAS, there are mathematical techniques such as IMPLAN,  
21 developed by the United States Department of Agriculture, Forest  
22 Service, that can be used to measure the multiplier effect of  
23 changes in agricultural output in the economy, the impact on  
24 household income of new agricultural production, the increase in  
25 value-added production resulting from new agricultural  
26 production, and the total employment resulting from new  
27 agricultural enterprises; now, therefore,

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29           BE IT RESOLVED by the House of Representatives of the  
30 Twenty-third Legislature of the State of Hawaii, Regular Session  
31 of 2006, the Senate concurring, that the Auditor is requested to  
32 conduct a study, using any of the mathematical techniques that



