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# SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF AGRICULTURE 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 of 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; and

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29 WHEREAS, however, many of these mathematical techniques are  
30 not particularly suitable for use in Hawaii because the economy  
31 here is significantly different than the continental United  
32 States; now, therefore,



1 BE IT RESOLVED by the Senate of the Twenty-third  
2 Legislature of the State of Hawaii, Regular Session of 2006, the  
3 House of Representatives concurring, that the Department of  
4 Agriculture, in consultation with the Department of Business,  
5 Economic Development, and Tourism and the University of Hawaii's  
6 College of Tropical Agriculture and Human Resources, is  
7 requested to examine input/output models, like the IMPLAN, and  
8 determine those that are appropriate for Hawaii's agricultural  
9 industry and the economy of the State of Hawaii; and

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11 BE IT FURTHER RESOLVED that the Department of Agriculture  
12 is further requested to submit findings and recommendations,  
13 including any proposed legislation, to the Legislature not later  
14 than twenty days prior to the convening of the Regular Session  
15 of 2007; and

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17 BE IT FURTHER RESOLVED that a certified copy of this  
18 Concurrent Resolution be transmitted to the Chair of the Board  
19 of Agriculture; the Director of Business, Economic Development,  
20 and Tourism; the President of the University of Hawaii; and the  
21 Dean of the University of Hawaii College of Tropical Agriculture  
22 and Human Resources.

