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## SENATE 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,  
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34           BE IT RESOLVED by the Senate of the Twenty-third  
35 Legislature of the State of Hawaii, Regular Session of 2006,



1 that the Department of Agriculture, in consultation with the  
2 Department of Business, Economic Development, and Tourism and  
3 the University of Hawaii's College of Tropical Agriculture and  
4 Human Resources, is requested to examine input/output models,  
5 like the IMPLAN, and determine those that are appropriate for  
6 Hawaii's agricultural industry and the economy of the State of  
7 Hawaii; and

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

14  
15 BE IT FURTHER RESOLVED that a certified copy of this  
16 Resolution be transmitted to the Chair of the Board of  
17 Agriculture; the Director of Business, Economic Development, and  
18 Tourism; the President of the University of Hawaii; and the Dean  
19 of the University of Hawaii College of Tropical Agriculture and  
20 Human Resources.

