

## **Mt McKinley Meat and Sausage Multiplier**

October 20, 2006

Analysis of fiscal year 2006 MMM&S statistics suggests the following economics.

A total of \$1,588,831.75 went through the plant into the Alaskan Economy.

Of that total Wages was \$267,106.99, \$238,954.10 was contractual services, and \$1,096,423.52 was meat purchases. Of that \$1,096,423.52, 759,257.49 were for boxed meat and 267,106.99 were for animal purchases.

The gross dollar return on those expenditures was \$1,393,119.80. The net operating loss for the year was \$195,711.95.

Discussion with Tony Nakazawa, the Extension Director for the State, indicates that the multiplier for the meat plant in this state would be 2.5 on the gross. (The assumption is that if each dollar to the plant were spent "outside" the multiplier would be 1.) Hence, the adjusted economic value for MMM&S would be \$3,972,079.38.

Impacts less tangible to measure but which may be part of the logic in the multiplier are:

- Training value to inmates
- Animal weighing and slaughter services to 4-H program
- Disease testing and tracking
- Custom slaughter services for pre-sold animals
- Cull animal purchases