

STAND. COM. REP. NO.

3610

Honolulu, Hawaii

APR 11 2006

RE: S.R. No. 119
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, and Agriculture, to which was referred S.R. No. 119 entitled:

"SENATE RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY TO DETERMINE THE MULTIPLIER EFFECT OF THE AGRICULTURAL INDUSTRY IN HAWAII'S ECONOMY,"

begs leave to report as follows:

The purpose of this measure is to request the auditor to conduct a study to determine the multiplier effect of the agricultural industry in Hawaii's economy.

Testimony in support of this measure was submitted by the Department of Agriculture, the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, Maui Land & Pineapple Company, Meadow Gold Dairies, the Pineapple Growers Association of Hawaii, and one individual.

Your Committee finds that there is a need for business and government policy makers to be informed of the multiplier effect for increases or decreases in agricultural production on employment, purchases of agricultural inputs, and consumer spending on goods and services. Currently, there are mathematical techniques that may be used to measure the multiplier effect on numerous factors; however, those models typically do not address or conform to Hawaii's unique economy. This measure requests a study to establish models that are appropriate for Hawaii.

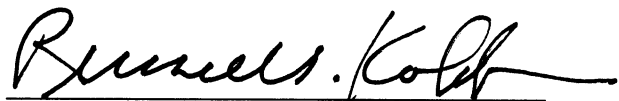


Your Committee has amended this measure by:

- (1) Requesting the Department of Agriculture, rather than the Auditor, to perform the study;
- (2) Requesting the Department of Business, Economic Development, and Tourism and the University of Hawaii College of Tropical Agriculture and Human Resources to assist the Department of Agriculture in establishing the appropriate models; and
- (3) Providing that certified copies of the resolution be transmitted to the Chair of the Board of Agriculture; the Director of Business, Economic Development, and Tourism; the President of the University of Hawaii; and the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 119, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 119, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Agriculture,



RUSSELL S. KOKUBUN, Chair



