

ARKANSAS RICE RESEARCH & PROMOTION BOARD

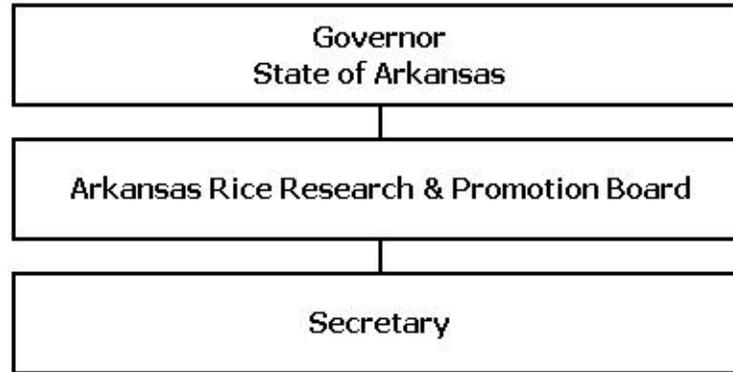
Enabling Laws

Act 43 of 2012
A.C.A. §2-20-505 et seq.

History and Organization

The Arkansas Rice Research and Promotion Board was established by Act 725 of the 1985 General Assembly to provide rice producers in Arkansas an organization through which they can work for the improvement of the rice industry. The legislation created a nine-member board appointed by the Governor from nominations submitted by certain rice-related organizations to administer the program. It is the responsibility of the Board to plan and conduct a program of research, extension, promotion and market development to foster the growth and development of the Arkansas rice industry.

The initial legislation established a producer-paid assessment of two cents per bushel of all rice produced in Arkansas with an automatic escalation to three cents per bushel after a specified period of time. Subsequently, Act 344 of 1995 provided for a referendum of producers on the question of reducing the producer-paid assessment for research and extension program funding to a rate not more than 1.5 cents per bushel, instituting a buyer-paid assessment of 1.35 cents per bushel for promotion and market development funding, and to make both assessments nonrefundable. Producers overwhelmingly ratified the proposed changes in a referendum conducted by the Board in February of 1996. The changes became effective August 1, 1996. Prior to the referendum, the Board made a commitment to the producers to set the producer-paid assessment rate at 1.15 cents per bushel for a minimum of two years. Act 16 of 1999 provided for equal assessment of 1.35 cents per bushel for both the producer and the buyer portions of the program.



Agency Commentary

The Arkansas Rice Research and Promotion Board budget is funded entirely by special revenues collected from an assessment on all rice produced in Arkansas. The assessment rate is 2.7 cents per bushel on all rice grown for market in Arkansas.

The Board is requesting Base Level, which includes \$6,980,696 each year of the biennium. A very limited amount of funds is allocated each year for administrative and board related expenses, while most of the request is in categories that will allow funding of programs directly related to the Research and Development objectives of the Board.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS RICE RESEARCH AND PROMOTION BOARD
 FOR THE YEAR ENDED JUNE 30, 2011

| Findings | Recommendations |
|----------|-----------------|
| None | None |

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Publications

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|------|-------------------------|--------------|------------------|-------------|--|
| | | Governor | General Assembly | | |
| None | N/A | N | N | 0 | N/A |

Agency Position Usage Report

| FY2010 - 2011 | | | | | | FY2011 - 2012 | | | | | | FY2012 - 2013 | | | | | |
|-------------------|----------|----------|-------|------------------|------------------------|-------------------|----------|----------|-------|------------------|------------------------|-------------------|----------|----------|-------|------------------|------------------------|
| Authorized in Act | Budgeted | | | Unbudgeted Total | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted Total | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted Total | % of Authorized Unused |
| | Filled | Unfilled | Total | | | | Filled | Unfilled | Total | | | | Filled | Unfilled | Total | | |
| 0 | 0 | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0 | 0 | 0.00 % |

Analysis of Budget Request

Appropriation: 998 - Rice Research and Promotion

Funding Sources: SRP - AR Rice Research and Promotion Fund

The Arkansas Rice Research and Promotion Board was established in 1985 to improve the profitability of growing rice in Arkansas by conducting a program of research, extension and market development.

The Board is funded entirely from special revenue which is collected from assessments on all rice produced in Arkansas. The assessments consist of 1.35 cents per bushel of rice grown in Arkansas paid by the producer, and an assessment of 1.35 cents per bushel paid by the first point of sale buyer. The funds raised by the producer assessment are reserved for the research program, and the buyer funds are reserved for promotion and market development activities.

The Board requests Base Level appropriation in the amount of \$6,980,696 each year of the 2013-2015 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 998 - Rice Research and Promotion
Funding Sources: SRP - AR Rice Research and Promotion Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | | 2011-2012 Actual | 2012-2013 Budget | 2012-2013 Authorized | 2013-2014 | | | 2014-2015 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Operating Expenses | 5020002 | 5,983 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Research/Development | 5900031 | 4,583,442 | 6,966,496 | 6,966,496 | 6,966,496 | 6,966,496 | 6,966,496 | 6,966,496 | 6,966,496 | 6,966,496 |
| Total | | 4,589,425 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 346,633 | 326,498 | | 326,498 | 326,498 | 326,498 | 326,498 | 326,498 | 326,498 |
| Special Revenue | 4000030 | 4,569,290 | 6,980,696 | | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 |
| Total Funding | | 4,915,923 | 7,307,194 | | 7,307,194 | 7,307,194 | 7,307,194 | 7,307,194 | 7,307,194 | 7,307,194 |
| Excess Appropriation/(Funding) | | (326,498) | (326,498) | | (326,498) | (326,498) | (326,498) | (326,498) | (326,498) | (326,498) |
| Grand Total | | 4,589,425 | 6,980,696 | | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 | 6,980,696 |