

# ARKANSAS RICE RESEARCH & PROMOTION BOARD

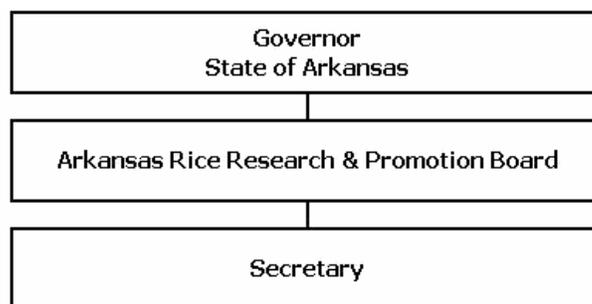
## Enabling Laws

Act 35 of 2005  
A.C.A. §2-20-505

## 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 request for the 2007-2009 biennium is Base Level and will be 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 budget request is Base Level. 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 objectives of the Board.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS RICE RESEARCH AND PROMOTION BOARD  
 FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
None	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**

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	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 conducts a program of research, extension, market development, and advertising to promote the rice industry in Arkansas.

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 research projects, and the buyer funds are reserved for promotion and market development projects.

The Agency is requesting Base Level appropriation of \$6,980,696 each year of the 2007-2009 biennium.

The Executive Recommendation provides for the Agency Request.

**Appropriation**

**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		
		2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,210	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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	6,083,229	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496
<b>Total</b>		<b>6,090,439</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>
<b>Funding Sources</b>										
Fund Balance	4000005	125,387	117,530		36,834	36,834	36,834	36,834	36,834	36,834
Special Revenue	4000030	6,082,582	6,900,000		6,980,696	6,980,696	6,980,696	6,980,696	6,980,696	6,980,696
<b>Total Funding</b>		<b>6,207,969</b>	<b>7,017,530</b>		<b>7,017,530</b>	<b>7,017,530</b>	<b>7,017,530</b>	<b>7,017,530</b>	<b>7,017,530</b>	<b>7,017,530</b>
Excess Appropriation/(Funding)		(117,530)	(36,834)		(36,834)	(36,834)	(36,834)	(36,834)	(36,834)	(36,834)
<b>Grand Total</b>		<b>6,090,439</b>	<b>6,980,696</b>		<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>	<b>6,980,696</b>