

# ARKANSAS SOYBEAN PROMOTION BOARD

## Enabling Laws

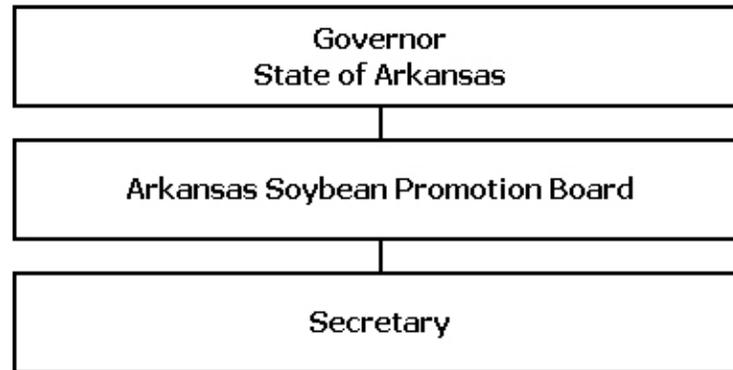
Act 40 of 2010  
A.C.A. §2-20-404 et seq.

## History and Organization

The Arkansas Soybean Promotion Board was established by Act 259 of the 1971 General Assembly to provide soybean producers in Arkansas an organization through which they can work for the improvement of the soybean industry. That legislation created a nine-member board appointed by the Governor from nominations submitted by certain soybean-related organizations to administer the program. It is the responsibility of the Board to plan and conduct a program of research, promotion and market development to foster the growth and development of the Arkansas soybean industry.

Initial legislation established an assessment rate of ¼ cent per bushel on all soybeans produced in Arkansas with an automatic escalation to ½ cent per bushel after a specified period of time. Subsequently, Act 355 of 1979 increased the assessment to one cent per bushel and Act 102 of 1989 increased the assessment rate to two cents per bushel.

Federal legislation enacted in 1990 established a national, coordinated program that preempted the State program. Approved by U.S. producers in a referendum, the National Soybean Check Off Program replaced the Arkansas assessment with a standard assessment of one-half of one percent of the net market value of all soybeans sold. One-half of all collections on soybeans produced in Arkansas are remitted to the National United Soybean Board to fund programs that are national and international in scope. The remaining one-half of the collections remain in Arkansas to be administered by the Arkansas Soybean Promotion Board and are used to fund soybean-related research, extension, promotion and market development activities. As provided for in the national legislation in October 1995, all refund provisions for the assessment were discontinued.



**Agency Commentary**

The Arkansas Soybean Promotion Board Budget is funded entirely by special revenues collected from an assessment on all soybeans produced in Arkansas. The assessment rate is one-half of one percent of the net market value for soybeans sold. Because the price of soybeans has increased dramatically in recent years, the agency's revenues have also increased accordingly. 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.

The Agency Request for the 2011-2013 biennium includes a continuation of the Base Level.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS SOYBEAN PROMOTION BOARD  
 FOR THE YEAR ENDED JUNE 30, 2009

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

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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:** 026 - Arkansas Soybean Board

**Funding Sources:** SBB - Arkansas Soybean Promotion Fund

The purpose of the Arkansas Soybean Promotion Board is to support the growth and development of the soybean industry in Arkansas. This appropriation is primarily used to fund a program of research through the University of Arkansas Agricultural Experiment Station, although a small portion is used for administration and for other programs designed to enhance the Arkansas soybean industry.

Funding for the Board is derived entirely from special revenue collected from an assessment of one-half of one percent of the net market value of soybeans sold in Arkansas. Because crop prices have increased significantly in recent years, the agency's revenue has increased from approximately \$4.4 million in FY2008 to approximately \$6 million in FY2009 and FY2010.

The Agency Base Level Request includes \$8,101,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 026 - Arkansas Soybean Board

**Funding Sources:** SBB - Arkansas Soybean Promotion Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	14,901	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
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	5,809,897	8,070,000	8,070,000	8,070,000	8,070,000	8,070,000	8,070,000	8,070,000	8,070,000
<b>Total</b>		<b>5,824,798</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,631,011	2,944,836		1,963,224	1,963,224	1,963,224	981,612	981,612	981,612
Special Revenue	4000030	6,138,623	7,119,388		7,119,388	7,119,388	7,119,388	7,119,388	7,119,388	7,119,388
<b>Total Funding</b>		<b>8,769,634</b>	<b>10,064,224</b>		<b>9,082,612</b>	<b>9,082,612</b>	<b>9,082,612</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>
Excess Appropriation/(Funding)		(2,944,836)	(1,963,224)		(981,612)	(981,612)	(981,612)	0	0	0
<b>Grand Total</b>		<b>5,824,798</b>	<b>8,101,000</b>		<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>	<b>8,101,000</b>