

ARKANSAS SOYBEAN PROMOTION BOARD

Enabling Laws

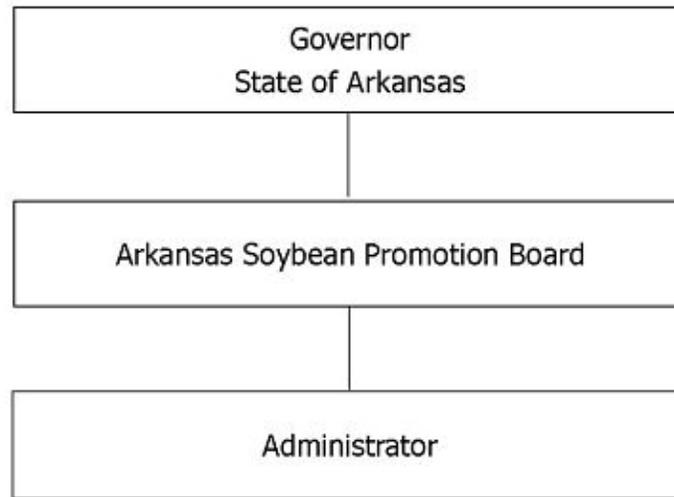
Act 187 of 2016
A.C.A. §2-20-404 et seq.

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 Board is requesting Base Level appropriation of \$8,300,000 each year of the 2017-2019 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS SOYBEAN PROMOTION BOARD
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016					FY2016 - 2017						
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 Board

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.

The Board is requesting Base Level appropriation of \$8,300,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 026 - Arkansas Soybean Board

Funding Sources: SBB - Arkansas Soybean Promotion Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	17,014	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
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	6,699,004	8,237,500	11,832,566	8,237,500	8,237,500	8,237,500	8,237,500	8,237,500	8,237,500
Total		6,716,018	8,300,000	11,895,066	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000
Funding Sources										
Fund Balance	4000005	2,644,598	3,025,982		2,225,982	2,225,982	2,225,982	2,925,982	2,925,982	2,925,982
Special Revenue	4000030	7,097,402	7,500,000		9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total Funding		9,742,000	10,525,982		11,225,982	11,225,982	11,225,982	11,925,982	11,925,982	11,925,982
Excess Appropriation/(Funding)		(3,025,982)	(2,225,982)		(2,925,982)	(2,925,982)	(2,925,982)	(3,625,982)	(3,625,982)	(3,625,982)
Grand Total		6,716,018	8,300,000		8,300,000	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000