

AR CORN & GRAIN SORGHUM PROMOTION BOARD

Enabling Laws

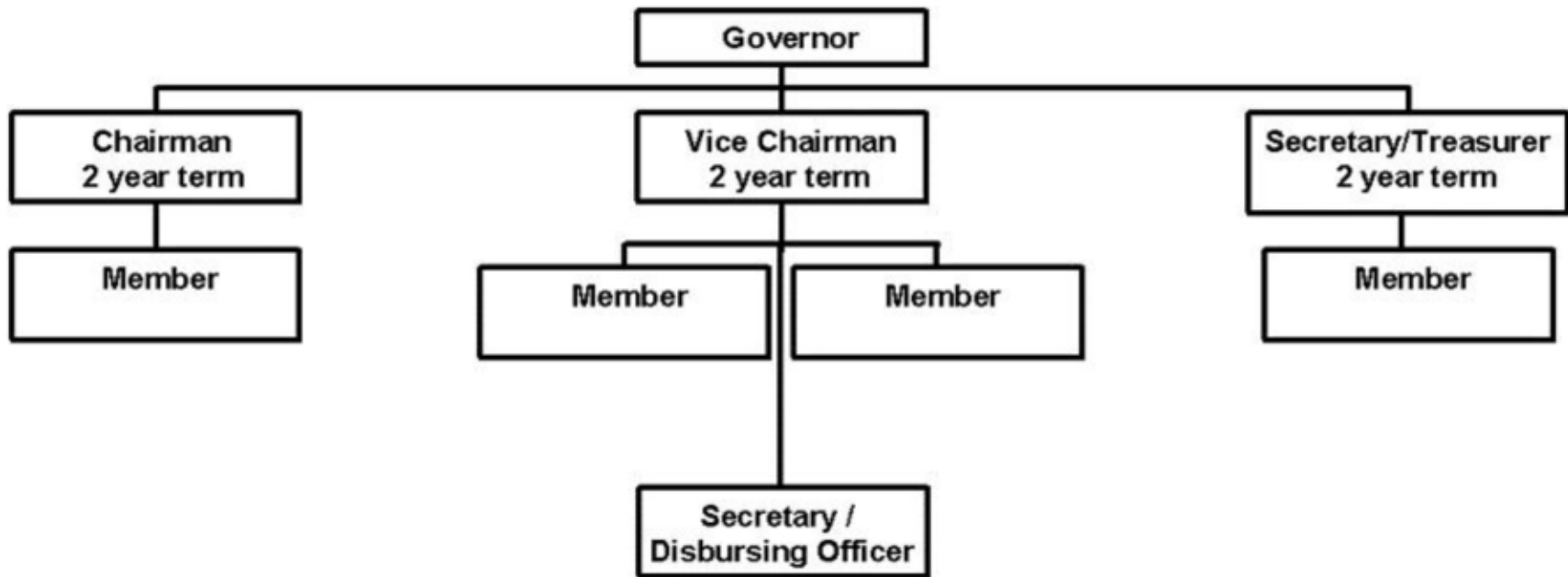
Act 185 of 2016
A.C.A. §2-20-804 et seq.

History and Organization

The Arkansas Corn and Grain Sorghum Board was created by Act 271 of 1997. Its mission is to promote the growth and development of the corn and grain sorghum industries in Arkansas by research, extension, promotion and market development, thereby promoting the general welfare of the people of Arkansas.

The Board is made up of seven members appointed by the Governor. Three are nominated by and represent the Arkansas Farm Bureau Federation, and two each are nominated by and represent Riceland Foods, Inc. and The Agriculture Council of Arkansas. The Board is administered by the Executive Vice President of Arkansas Farm Bureau Federation or his designee.

The Board administers a one cent per bushel assessment on all corn and grain sorghum grown in Arkansas for market. The funds enter the State Treasury, and are disbursed by the Board to fund corn and grain sorghum research and promotion efforts.



Agency Commentary

The Arkansas Corn and Grain Sorghum Board budget is funded entirely by special revenues collected from a one cent per bushel check off on all corn and grain sorghum produced in Arkansas for market.

The Board is requesting Base Level appropriation of \$1.2 million. The allocation from special revenue funds will be utilized for promotion and research in the advancement of corn and grain sorghum production for Arkansas farmers. Arkansas farmers have consistently produced more acres of corn and grain sorghum which generates more funds for research and promotion opportunities. The board allocates the money spent with the majority going toward research projects from public universities and private companies on research deemed consistent with the needs of the Arkansas producers. The board has challenged the researchers to come up with innovative ideas for research that would allow farmers to be more productive and sustainable in the production of corn and grain sorghum. The increase in budget appropriations request is due to the increase in acreage over the past years and the safety net the board has left unallocated due to the hope of innovative projects brought to the board’s annual funding meeting.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS CORN AND GRAIN SORGHUM BOARD
 FOR THE YEAR ENDED JUNE 30, 2014

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: 686 - Corn and Grain Sorghum

Funding Sources: SGS - AR Corn and Grain Sorghum Promotion Board Fund

The purpose of the Corn and Grain Sorghum Promotion Board is to promote the growth and development of the corn and grain sorghum industries in the State of Arkansas.

The Board is funded entirely by Special Revenues collected from a one cent per bushel assessment at the first point of sale or when the corn or grain sorghum enters the USDA loan program and is applicable to all corn and grain sorghum produced in Arkansas for market. The Board utilizes these funds to finance operating expenses and to conduct a program of research, market development and promotion.

The Board is requesting Base Level of \$1.2 million for each year of the 2017-2019 Biennium.

The Agency Change Level Request provides for an increase in Research and Development of \$800,000 each year of the biennium to allow flexibility in funding new and innovative projects.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 686 - Corn and Grain Sorghum

Funding Sources: SGS - AR Corn and Grain Sorghum Promotion Board Fund

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	10,964	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
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	1,053,398	1,175,000	1,175,000	1,175,000	1,975,000	1,975,000	1,175,000	1,975,000	1,975,000
Total		1,064,362	1,200,000	1,200,000	1,200,000	2,000,000	2,000,000	1,200,000	2,000,000	2,000,000
Funding Sources										
Fund Balance	4000005	749,537	865,419		1,665,419	1,665,419	1,665,419	2,465,419	1,665,419	1,665,419
Special Revenue	4000030	1,180,244	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		1,929,781	2,865,419		3,665,419	3,665,419	3,665,419	4,465,419	3,665,419	3,665,419
Excess Appropriation/(Funding)		(865,419)	(1,665,419)		(2,465,419)	(1,665,419)	(1,665,419)	(3,265,419)	(1,665,419)	(1,665,419)
Grand Total		1,064,362	1,200,000		1,200,000	2,000,000	2,000,000	1,200,000	2,000,000	2,000,000

Change Level by Appropriation

Appropriation: 686 - Corn and Grain Sorghum
Funding Sources: SGS - AR Corn and Grain Sorghum Promotion Board Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0
C01	Existing Program	800,000	0	2,000,000	166.7	800,000	0	2,000,000	166.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0
C01	Existing Program	800,000	0	2,000,000	166.7	800,000	0	2,000,000	166.7

Justification

C01	Increase in Research and Development is needed to allow flexibility in funding new and innovative projects.
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