

AR RICE RESEARCH & PROMOTION BOARD

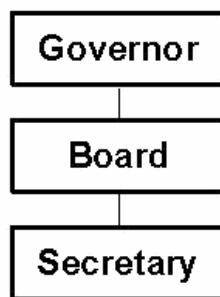
Enabling Laws

Act 15 of 2003
A.C.A. §2-20-505

History and Organization

The Arkansas Rice Research and Promotion Board was established by Act 275 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 2005-2007 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 with a reallocation of resources designed to more accurately reflect the programs of the Board. 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, 2003

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

Analysis of Budget Request

Appropriation / Program: 998 - Rice Research and Promotion

Funding Sources: SRP-AR Rice Research and Promotion Fund

The Arkansas Rice Research and Promotion Board is authorized in A.C.A. §2-20-505 and is composed of nine producer members appointed by the Governor. The Board members are representatives of the Arkansas Farm Bureau Federation, Riceland Foods, Inc., Agricultural Council of Arkansas, Producers' Rice Mill, Inc., Arkansas Rice Council, and independent mills of Arkansas. The purpose of the Board is to conduct a program of research, extension, market development, and advertising to promote the rice industry in Arkansas. The Board is funded entirely from special revenues collected from assessments on all rice produced in Arkansas. The assessment consists of 1.35 cents per bushel paid by the producer on all rice grown in the State. These funds are used to finance the Board's operating expenses and to provide rice research and market development.

The agency is requesting continuation of the Base Level of \$6,980,696 each year of the 2005-2007 biennium, with a reallocation of resources from Operating Expenses (\$14,800 each year) to Research/Development (\$11,800 each year) and Professional Fees & Services (\$3,000 each year) to better reflect program spending.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	3,277	26,000	26,000	26,000	11,200	11,200	26,000	11,200	11,200
Travel-Conference Fees 5050009	0	0	0	0	0	0	0	0	0
Professional Fees and Services 5060010	0	0	0	0	3,000	3,000	0	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	5,917,970	6,954,696	6,954,696	6,954,696	6,966,496	6,966,496	6,954,696	6,966,496	6,966,496
Total	5,921,247	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	643,519	279,027		79,027	79,027	79,027	49,327	49,327	49,327
Special Revenue 4000030	5,556,756	6,780,696		6,950,996	6,950,996	6,950,996	6,980,696	6,980,696	6,980,696
Total Funding	6,200,275	7,059,723		7,030,023	7,030,023	7,030,023	7,030,023	7,030,023	7,030,023
Excess Appropriation/(Funding)	(279,028)	(79,027)		(49,327)	(49,327)	(49,327)	(49,327)	(49,327)	(49,327)
Grand Total	5,921,247	6,980,696		6,980,696	6,980,696	6,980,696	6,980,696	6,980,696	6,980,696

Change Level by Appropriation

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

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	6,980,696	0	6,980,696	100.0	6,980,696	0	6,980,696	100.0
C01	Existing Program	14,800	0	6,995,496	100.2	14,800	0	6,995,496	100.2
C03	Discontinue Program	(14,800)	0	6,980,696	100.0	(14,800)	0	6,980,696	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	6,980,696	0	6,980,696	100.0	6,980,696	0	6,980,696	100.0
C01	Existing Program	14,800	0	6,995,496	100.2	14,800	0	6,995,496	100.2
C03	Discontinue Program	(14,800)	0	6,980,696	100.0	(14,800)	0	6,980,696	100.0

Justification

C01	Increase requested is for Professional Fees and the Research and Development line item to accurately reflect the Board's programs.
C03	Decreases is in Operating Expenses to reallocate appropriation to the Professional Fees and Research line item.