

AR SOYBEAN BOARD

Enabling Laws

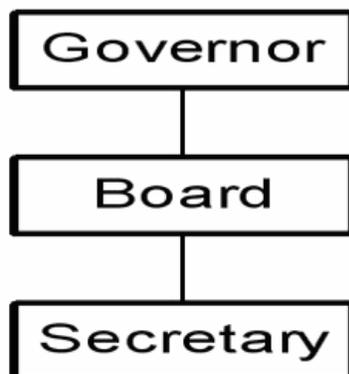
Act 16 of 2003
A.C.A. §2-20-404

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 request for the 2005-2007 biennium is Base Level and will be 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.

The reallocation changes that are requested are 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 SOYBEAN 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: 026 - Arkansas Soybean Board

Funding Sources: SBB-Soybean Promotion Fund

The Arkansas Soybean Promotion Board is authorized in A.C.A. §2-20-404. The Board is composed of nine (9) producer members appointed by the Governor and are representatives of the Arkansas Farm Bureau Federation, Riceland Foods, Inc., Arkansas Soybean Association, and Arkansas Agricultural Council. The purpose of the Board is to promote the growth and development of the soybean industry in Arkansas. Funding for the Board is derived entirely from special revenues collected from an assessment of one-half of one percent of the net market value of soybeans sold in Arkansas. These funds finance the Board's operating expenses and soybean research and promotion activities.

The Board requests a continuation of Base Level budget for \$4,410,000 each year of the 2005-2007 biennium, with a reallocation of resources for \$56,004 each year from Operating, Travel, & Professional Fees and Services to Research/Development to better reflect program spending.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

Appropriation / Program: 026 Arkansas Soybean Board
Funding Sources: SBB-Soybean 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	5,290	37,952	37,952	37,952	12,200	12,200	37,952	12,200	12,200
Travel-Conference Fees 5050009	0	10,746	10,746	10,746	0	0	10,746	0	0
Professional Fees and Services 5060010	0	15,706	15,706	15,706	3,000	3,000	15,706	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	3,136,089	4,345,596	4,345,596	4,345,596	4,394,800	4,394,800	4,345,596	4,394,800	4,394,800
Total	3,141,379	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000
Funding Sources									
Fund Balance 4000005	322,381	1,024,933		1,024,933	1,024,933	1,024,933	1,024,933	1,024,933	1,024,933
Special Revenue 4000030	3,843,932	4,410,000		4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000
Total Funding	4,166,313	5,434,933		5,434,933	5,434,933	5,434,933	5,434,933	5,434,933	5,434,933
Excess Appropriation/(Funding)	(1,024,934)	(1,024,933)		(1,024,933)	(1,024,933)	(1,024,933)	(1,024,933)	(1,024,933)	(1,024,933)
Grand Total	3,141,379	4,410,000		4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000

Change Level by Appropriation

Appropriation / Program: 026-Arkansas Soybean Board
Funding Sources: SBB-Soybean Promotion Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,410,000	0	4,410,000	100.0	4,410,000	0	4,410,000	100.0
C01	Existing Program	56,004	0	4,466,004	101.2	56,004	0	4,466,004	101.2
C03	Discontinue Program	(56,004)	0	4,410,000	100.0	(56,004)	0	4,410,000	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,410,000	0	4,410,000	100.0	4,410,000	0	4,410,000	100.0
C01	Existing Program	56,004	0	4,466,004	101.2	56,004	0	4,466,004	101.2
C03	Discontinue Program	(56,004)	0	4,410,000	100.0	(56,004)	0	4,410,000	100.0

Justification

C01	Increases are Professional Fees and Research and Development to more accurately reflect the Board's programs.
C03	Decreases are in Operating Expenses to reallocate appropriation to the Professional Fees and Research line items.