

ARKANSAS BEEF COUNCIL

Enabling Laws

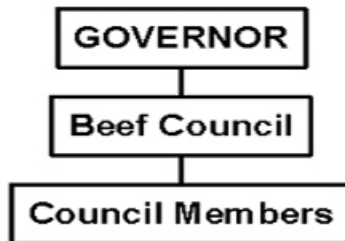
Act 37 of 2007
A.C.A. §2-35-303 et seq.

History and Organization

The Arkansas Beef Council was created by Act 160 of the 1983 General Assembly. Its mission is to promote the growth and development of the cattle industry in Arkansas through programs of research, promotion and market development activities.

The Council is made up of seven members appointed by the Governor. Three are nominated by the Arkansas Cattlemen's Association, three by the Arkansas Farm Bureau Federation, and one member must be an Arkansas auction market operator. The Council is administered through an agreement between the Arkansas Beef Council and the Arkansas Farm Bureau Federation.

The Council administers a \$1.00 per head assessment on all cattle sold in the State. The assessment is collected by the Miscellaneous Tax Section of the Department of Finance & Administration. Funds are deposited in a State Treasury account and are disbursed by the Council to fund beef research and promotion efforts.



Agency Commentary

The budget request for the Arkansas Beef Council for the 2009-2011 Biennium is Base Level for the first year of the biennium and additional appropriation of \$1 million for the second year of the biennium. The appropriation is funded entirely by special revenues collected from an assessment on cattle sold in the State.

The budget request for FY2011 reflects a proposed increase in the federally established assessment rate from the current rate of \$1 per head of cattle sold in the state to a new rate of \$2 per head. Whether or not the rate is increased depends on Congressional approval and a favorable vote in a producer referendum.

Allocation of these funds will be made and approved by the Arkansas Beef Council. Distributions will be made to fund beef-related research at the University of Arkansas and transmitted to the national organization (Cattlemen's Beef Board) as required by the federal Beef Research and Promotion Act. Various promotion and information projects will be conducted within the State as approved and

administered by the Council.

Projects are individually approved and monitored by the Council. Project proposals are addressed during the third quarter of the fiscal year and in the annual operating plan developed prior to the start of the next fiscal year.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS BEEF COUNCIL

FOR THE YEAR ENDED JUNE 30, 2007

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

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
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: 675 - Beef Council-Operations

Funding Sources: SBC - Arkansas Beef Council Fund

The purpose of the Arkansas Beef Council is to coordinate and implement a program of promotion, research and market development to enhance the image of beef and to improve the potential of Arkansas' cattle industry.

This appropriation is funded entirely by Special Revenues consisting of a federally established assessment rate per head of cattle sold in the state. Half of the amount collected is forwarded to the national Beef Promotion and Research Board for consumer and industry information programs, advertising and research programs, and beef-related promotion. The remaining half of all fees received is retained by the Arkansas Beef Council to fund state-based programs which complement and extend the industry-wide effort. There is a proposed increase in the federal assessment rate from the current rate of \$1/head to the proposed new rate of \$2/head. This increase would double the fee income available to the Council during the FY2011.

The Agency Base Level Request includes appropriation of \$1.1 million each year of the biennium.

The Agency Change Level Request includes additional appropriation in the amount of \$1 million in the second year of the biennium. This request includes \$963,000 for the Research & Development line item and \$37,000 for the Operating Expenses line item. This additional appropriation will enable the agency to utilize the additional funding anticipated from the proposed increase in the federally established assessment rate on cattle sold in the state.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 675 - Beef Council-Operations

Funding Sources: SBC - Arkansas Beef Council Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	12,114	50,000	50,000	50,000	50,000	50,000	50,000	87,000	87,000
Conference & Travel Expenses	5050009	71	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	3,000	3,000	3,000	3,000	3,000	3,000	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	915,490	1,037,000	1,037,000	1,037,000	1,037,000	1,037,000	1,037,000	2,000,000	2,000,000
Total		927,675	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	2,100,000	2,100,000
Funding Sources										
Fund Balance	4000005	155,007	143,553		43,553	43,553	43,553	0	0	0
Special Revenue	4000030	916,221	1,000,000		1,056,447	1,056,447	1,056,447	1,100,000	2,100,000	2,100,000
Total Funding		1,071,228	1,143,553		1,100,000	1,100,000	1,100,000	1,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)		(143,553)	(43,553)		0	0	0	0	0	0
Grand Total		927,675	1,100,000		1,100,000	1,100,000	1,100,000	1,100,000	2,100,000	2,100,000

FY2011 funding reflects a potential increase in the federally mandated assessment rate from \$1/head of cattle sold in the State to \$2/head.

Change Level by Appropriation

Appropriation: 675 - Beef Council-Operations
Funding Sources: SBC - Arkansas Beef Council Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,100,000	0	1,100,000	100.0	1,100,000	0	1,100,000	100.0
C01	Existing Program	0	0	1,100,000	100.0	1,000,000	0	2,100,000	190.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,100,000	0	1,100,000	100.0	1,100,000	0	1,100,000	100.0
C01	Existing Program	0	0	1,100,000	100.0	1,000,000	0	2,100,000	190.9

Justification

C01	Additional appropriation of \$1 million is requested in FY2011 only to provide the agency with enough appropriation to utilize a potential increase in revenues due to a proposed increase in the federally mandated assessment rate per head of cattle sold in the state. The total requested increase includes additional appropriation for Operating Expenses of \$37,000 and additional appropriation for Research and Development in the amount of \$963,000.
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