

AR CORN & GRAIN SORGHUM PROMOTION BOARD

Enabling Laws

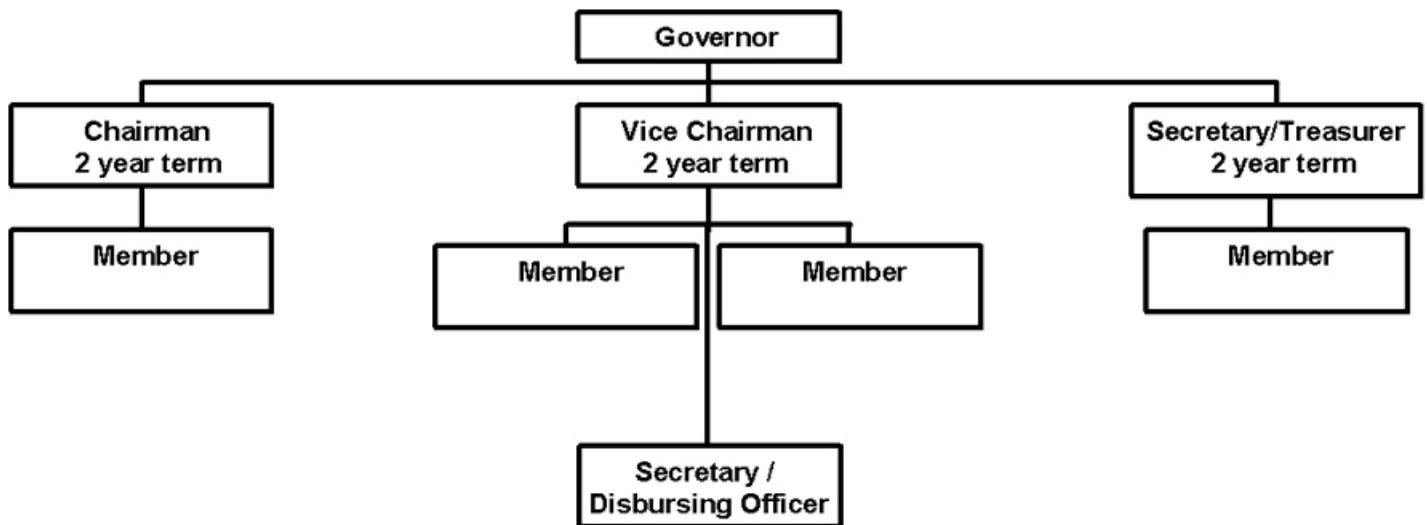
Act 8 of 2007
A.C.A. §2-20-804 et seq.

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 is requesting a continuation of the Base Level of \$627,200 each year of the 2009-2011 biennium, as well as the following increases:

- Operating Expenses: Increase of \$15,000 each year to bring the total level of authorized appropriation from \$10,000 to \$25,000
- Research and Development Expenses: Increase of \$557,800 each year to bring the total level of authorized appropriation from \$617,200 to \$1,175,000

The Board's Base Level and Change Level Request 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. This request is due to a sizeable increase in check off revenues. The additional appropriation is necessary to provide the Board with adequate appropriation to distribute funds.

An allocation of these special revenue funds will be used to fund corn and grain sorghum related research projects through the University of Arkansas and private research companies as the Board sees fit. Projects will be individually approved and monitored by the Board. The Board welcomes project proposals at its first quarter meeting.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS CORN AND GRAIN SORGHUM PROMOTION BOARD
 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: 686 - Corn and Grain Sorghum

Funding Sources: SGS - 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 funds are primarily used to maintain a program of research through the University of Arkansas Agricultural Experiment Station and Cooperative Extension Service. A small portion is used for other programs designed to enhance the Arkansas corn and grain sorghum industries.

The Board is funded entirely by Special Revenue 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. In recent years, increases in both crop prices and in the number of corn acres farmed in Arkansas have caused the Board's revenue receipts to increase from approximately \$230,000 in FY2006 and FY2007 to over \$950,000 in FY2008.

The Agency Base Level Request includes appropriation of \$617,200 each year of the biennium.

The Agency Change Level Request includes the following:

- **Operating Expenses:** Increase in appropriation of \$15,000 each year of the biennium to cover increases in administrative expenses to support increase in the research, promotion and market development program.
- **Research and Development:** Increase in appropriation of \$557,800 each year of the biennium to enable the agency to utilize the increases in revenues on research, promotion, and market development programs that directly relate to the objectives of the Board.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 686 - Corn and Grain Sorghum

Funding Sources: SGS - Corn and Grain Sorghum Promotion Board 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	8,827	10,000	10,000	10,000	25,000	25,000	10,000	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	588,786	617,200	617,200	617,200	1,175,000	1,175,000	617,200	1,175,000	1,175,000
Total		597,613	627,200	627,200	627,200	1,200,000	1,200,000	627,200	1,200,000	1,200,000
Funding Sources										
Fund Balance	4000005	58,609	418,280		791,080	791,080	791,080	1,163,880	591,080	591,080
Special Revenue	4000030	957,284	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		1,015,893	1,418,280		1,791,080	1,791,080	1,791,080	2,163,880	1,591,080	1,591,080
Excess Appropriation/(Funding)		(418,280)	(791,080)		(1,163,880)	(591,080)	(591,080)	(1,536,680)	(391,080)	(391,080)
Grand Total		597,613	627,200		627,200	1,200,000	1,200,000	627,200	1,200,000	1,200,000

Change Level by Appropriation

Appropriation: 686 - Corn and Grain Sorghum

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	627,200	0	627,200	100.0	627,200	0	627,200	100.0
C01	Existing Program	572,800	0	1,200,000	191.3	572,800	0	1,200,000	191.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	627,200	0	627,200	100.0	627,200	0	627,200	100.0
C01	Existing Program	572,800	0	1,200,000	191.3	572,800	0	1,200,000	191.3

Justification

C01	The total increase of \$572,800 will enable the agency to utilize projected increases in revenue receipts due to significant increases in the price of corn and the number of corn acres. The request includes \$557,800 for Research and Development program expenses and \$15,000 for increased Operating Expenses.
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