

ARKANSAS RICE RESEARCH & PROMOTION BOARD

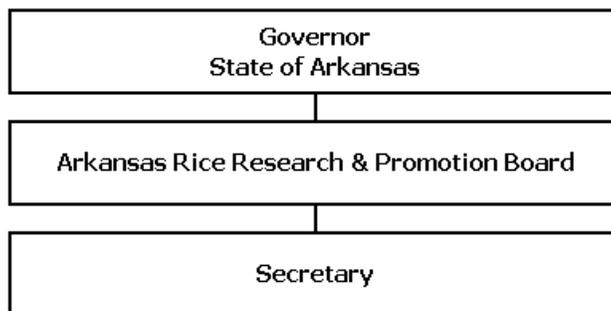
Enabling Laws

Act 9 of 2007
A.C.A. §2-20-505 et seq.

History and Organization

The Arkansas Rice Research and Promotion Board was established by Act 725 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 is 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 Agency's 2009-11 Biennial Budget Request includes a reallocation of appropriation in the amount of \$3,000 from the Professional Fees line item to the Operating Expenses line item to provide for increased

costs related to board member travel. 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, 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: 998 - Rice Research and Promotion

Funding Sources: SRP - AR Rice Research and Promotion Fund

The Arkansas Rice Research and Promotion Board was established in 1985 to improve the profitability of growing rice in Arkansas by conducting a program of research, extension and market development.

The Board is funded entirely from special revenue which is collected from assessments on all rice produced in Arkansas. The assessments consist of 1.35 cents per bushel of rice grown in Arkansas paid by the producer, and an assessment of 1.35 cents per bushel paid by the first point of sale buyer. The funds raised by the producer assessment are reserved for the research program, and the buyer funds are reserved for promotion and market development activities.

The Agency Base Level Request includes appropriation in the amount of \$6,980,696 each year of the biennium.

The Agency Change Level Request includes a reallocation of appropriation in the amount of \$3,000 from the Professional Fees line item to the Operating Expenses line item to provide for increased Board Member Travel expenses.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 998 - Rice Research and Promotion

Funding Sources: SRP - AR Rice Research and Promotion 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	5,806	11,200	11,200	11,200	14,200	14,200	11,200	14,200	14,200
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	3,000	3,000	3,000	0	0	3,000	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	5,395,420	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496	6,966,496
Total		5,401,226	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	318,912	592,999		274,087	274,087	274,087	0	0	0
Special Revenue	4000030	5,675,313	6,661,784		6,706,609	6,706,609	6,706,609	6,980,696	6,980,696	6,980,696
Total Funding		5,994,225	7,254,783		6,980,696	6,980,696	6,980,696	6,980,696	6,980,696	6,980,696
Excess Appropriation/(Funding)		(592,999)	(274,087)		0	0	0	0	0	0
Grand Total		5,401,226	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: 998 - Rice Research and Promotion
Funding Sources: SRP - AR Rice Research and Promotion Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	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
C04	Reallocation	0	0	6,980,696	100.0	0	0	6,980,696	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	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
C04	Reallocation	0	0	6,980,696	100.0	0	0	6,980,696	100.0

Justification

C04	A reallocation of \$3,000 from Professional Fees to Operating Expenses is requested to cover increased costs related to board member travel.
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