

ARKANSAS SOYBEAN PROMOTION BOARD

Enabling Laws

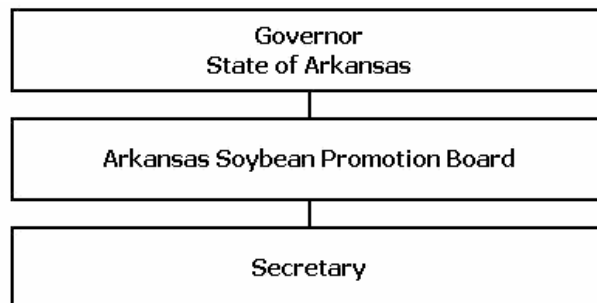
Act 41 of 2005
A.C.A. §2-20-404

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 2007-2009 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 budget request is Base Level. 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, 2006

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

FY2004-2005						FY2005-2006						FY2006-2007					
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	Total	Total			Total				
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: 026 - Arkansas Soybean Board

Funding Sources: SBB - Arkansas Soybean Promotion Fund

The purpose of the Arkansas Soybean Promotion Board is to support the growth and development of the soybean industry in Arkansas.

Funding for the Board is derived entirely from special revenue 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 Agency is requesting Base Level appropriation of \$4,410,000 each year of the 2007-2009 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	11,043	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
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	2,749,903	4,394,800	4,394,800	4,394,800	4,394,800	4,394,800	4,394,800	4,394,800	4,394,800
Total	2,760,946	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	1,172,004	1,304,463		894,463	894,463	894,463	894,463	894,463	894,463
Special Revenue 4000030	2,893,405	4,000,000		4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000
Total Funding	4,065,409	5,304,463		5,304,463	5,304,463	5,304,463	5,304,463	5,304,463	5,304,463
Excess Appropriation/(Funding)	(1,304,463)	(894,463)		(894,463)	(894,463)	(894,463)	(894,463)	(894,463)	(894,463)
Grand Total	2,760,946	4,410,000		4,410,000	4,410,000	4,410,000	4,410,000	4,410,000	4,410,000