

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 754 of the Regular Session

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

As Engrossed: H3/13/07 S3/23/07

**A Bill**

HOUSE BILL 2390

5 By: Representatives Hoyt, Reynolds, Hawkins, Walters, George, Lamoureux, Sample, Allen, Berry,  
6 Sullivan, Maxwell, Cooper, Dickinson, J. Johnson, Patterson, Davenport, Norton, Rosenbaum  
7  
8

**For An Act To Be Entitled**

9  
10 AN ACT TO CREATE THE ARKANSAS MILK STABILIZATION  
11 BOARD; AND FOR OTHER PURPOSES.  
12

**Subtitle**

13  
14 AN ACT TO CREATE THE ARKANSAS MILK  
15 STABILIZATION BOARD.  
16  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code Title 2, Chapter 10, is amended to add a new  
21 subchapter to read as follows:

22 2-10-101. Title.

23 This subchapter shall be known and may be cited as the "Arkansas Milk  
24 Stabilization Board Act".  
25

26 2-10-102. Findings – Purposes.

27 (a) The General Assembly finds that:

28 (1) The dairy industry is an essential agricultural activity of  
29 the state;

30 (2) Dairy farms, associated suppliers, marketers, processors,  
31 and retailers are an integral component of the state's economy;

32 (3) The ability of a dairy farm, associated supplier, marketer,  
33 processor, and retailer to provide a stable, local supply of pure and  
34 wholesome milk is a matter of great importance to the health and welfare of  
35 the people of this state;



1           (4) Dairy farms are an integral part of the state's rural  
2 communities;

3           (5) Dairy farms preserve land for agricultural purposes and  
4 provide needed economic stimuli for rural communities;

5           (6) Assurance of a fair and equitable price for dairy farmers  
6 ensures their ability to provide milk to the market and the vitality of the  
7 state's dairy industry and all the associated benefits of the industry;

8           (7) Recent, dramatic price fluctuations, with a pronounced  
9 downward trend, threaten the viability and stability of the dairy industry of  
10 this state; and

11           (8) The federal order system, implemented by the Agricultural  
12 Marketing Agreement Act of 1937, 7 U.S.C. § 601 et seq., established only  
13 minimum prices paid to producers for raw milk, without preempting the power  
14 of the state to regulate milk prices above the minimum levels so established.

15           (b) The purposes of this subchapter are to:

16           (1) Take all necessary steps to assure the continued viability  
17 of dairy farming in the state;

18           (2) Assure consumers of an adequate, local supply of pure and  
19 wholesome milk;

20           (3) Neither displace the federal order system nor encourage the  
21 merging of federal orders; and

22           (4) Encourage increased production to meet the state's need for  
23 quality milk.

24  
25           2-10-103. Arkansas Milk Stabilization Board.

26           (a)(1) There is created no later than July 1, 2007, the Arkansas Milk  
27 Stabilization Board to be composed of five (5) members appointed by the  
28 Governor as follows:

29           (A) Two (2) members who are actively and principally  
30 engaged in dairy farming in this state;

31           (B) One (1) member who is an Arkansas consumer;

32           (C) One (1) member who is an Arkansas milk processor; and

33           (D) One (1) member who is an Arkansas retailer.

34           (b) Each member appointed to the board shall be appointed for a term  
35 of five (5) years except that the initial members of the board shall be  
36 appointed for terms that result in:

1 (1) One (1) member's term expiring after one (1) year;

2 (2) One (1) member's term expiring after two (2) years;

3 (3) One (1) member's term expiring after three (3) years;

4 (4) One (1) member's term expiring after four (4) years; and

5 (5) One (1) member's term expiring after five (5) years;

6 (c) Members of the board shall draw lots to determine the length of  
7 the initial term.

8 (d)(1) Not less than thirty (30) calendar days prior to the expiration  
9 of the terms of the members of the board under subdivisions (a)(1)(A) and (D)  
10 of this section, interested parties shall submit to the Governor the names of  
11 nominees for the positions to be filled, and the Governor shall appoint the  
12 new members from each list of nominees.

13 (2) If no lists are submitted, the appointments shall be at the  
14 discretion of the Governor.

15 (3) Each member selected for the board shall serve for a term of  
16 five (5) years, except as provided in subsection (b) of this section, and  
17 until his or her successor is selected as provided in section (c) of this  
18 section.

19 (4) A member of the board may be removed by a majority vote of  
20 the remaining board members for:

21 (A) Conviction of a felony;

22 (B) Failing to attend three (3) consecutive meetings, or

23 (C) No longer meeting the qualifications for his or her  
24 initial appointment.

25 (e) Upon a vacancy of a member of the board, the Governor shall make a  
26 new appointment within thirty (30) days.

27 (f) Members of the board shall organize immediately after their  
28 appointment and shall elect a chair, a vice chair, and a secretary-treasurer  
29 from the membership of the board, whose duties shall be those customarily  
30 exercised by those officers or specifically designated by the board.

31 (g)(1) Meetings of the board shall be called by the chair or by four  
32 (4) members of the board.

33 (2) Four (4) members of the board shall constitute a quorum for  
34 the transaction of business of the board.

35 (h) The members of the board shall receive no salary or other  
36 compensation for their services except that they may receive expense

1 reimbursement in accordance with § 25-16-901 et seq., for attending meetings  
2 of the board.

3 (i) The Secretary of Arkansas Agriculture Department and the Director  
4 of the Livestock and Poultry Commission shall assist the Arkansas Milk  
5 Stabilization Board when necessary by providing resources and guidance.

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7 2-10-104. Powers and duties of the Arkansas Milk Stabilization Board.

8 (a) The Arkansas Milk Stabilization Board shall:

9 (1) Administer this subchapter;

10 (2) Research other states to determine how those states support  
11 their dairy farmers;

12 (3) Investigate methods of milk production, dairy pricing, and  
13 support of the dairy industry;

14 (4) Create a plan to assist Arkansas dairy farmers that would be  
15 equitable to all parties in the state dairy industry and withstand legal  
16 challenges;

17 (5) By December 31, 2007, the board will provide a copy of the  
18 proposed plan determined in subdivision (a)(4) of this section to the  
19 Secretary of the Arkansas Agriculture Department and any other person or  
20 entity requesting a copy of the proposed plan;

21 (6) Provide a forty-five (45) day period for public comment on  
22 the proposed plan provided in subdivision (a)(5) of this section;

23 (7)(A) Create the final plan for submission to the Legislative  
24 Council following the public comment period; and

25 (8) Promulgate rules the board considers necessary or desirable  
26 to implement the final plan determined in subdivision (a)(7) of this section.

27 (b) The Arkansas Milk Stabilization Board shall submit its final plan  
28 as determined under subdivision (a)(7) and rules as determined under  
29 subdivision (a)(8) to the Legislative Council for review no later than March  
30 1, 2008.

31 (c)(1) Once reviewed by the Legislative Council, the Arkansas  
32 Agriculture Department shall implement the plan.

33 (2) The Arkansas Milk Stabilization Board shall monitor progress  
34 and success of the plan.

35 (d) The Arkansas Milk Stabilization Board shall have jurisdiction over  
36 milk and milk products marketed in the State of Arkansas.

