

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.

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

# A Bill

HOUSE BILL 2390

4  
5 By: Representatives Hoyt, Reynolds, Hawkins, Walters, George, Lamoureux, Sample, Allen, Berry,  
6 Sullivan, Maxwell, Cooper, Dickinson, J. Johnson, Patterson, Davenport, Norton, Rosenbaum

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## For An Act To Be Entitled

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

12  
13

## Subtitle

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

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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;

36 (4) Dairy farms are an integral part of the state's rural



1 communities;

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

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

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

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

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

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

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

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

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

23  
 24 2-10-103. Arkansas Milk Stabilization Board.

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

28 (A)(i) The Farm Bureau of Arkansas, the Dairy Farmers of  
 29 America, and the Arkansas Dairy Cooperative Association shall each submit to  
 30 the Governor the names of two (2) persons who are actively and principally  
 31 engaged in farming in this state.

32 (ii) From the list of nominees submitted under  
 33 subdivision (a)(1)(A)(i) of this section, the Governor will appoint two (2)  
 34 members to the board;

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

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

1                   (D) One (1) member who is an Arkansas retailer from a list  
 2 of three (3) Arkansas retailers provided by the Arkansas Grocers and Retail  
 3 Merchants Association.

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

- 7                   (1) One (1) member's term expiring after one (1) year;
- 8                   (2) One (1) member's term expiring after two (2) years;
- 9                   (3) One (1) member's term expiring after three (3) years;
- 10                  (4) One (1) member's term expiring after four (4) years; and
- 11                  (5) One (1) member's term expiring after five (5) years;

12           (c)(1) Not less than thirty (30) calendar days prior to the expiration  
 13 of the terms of the members of the board under subdivisions (a)(1)(A) and (D)  
 14 of this section, the organizations shall submit to the Governor the names of  
 15 its nominees for the positions to be filled, and the Governor shall appoint  
 16 the new members from each list of nominees.

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

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

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

- 25                   (A) Conviction of a felony;
- 26                   (B) Failing to attend three (3) consecutive meetings, or
- 27                   (C) No longer meeting the qualifications for his or her  
 28 initial appointment.

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

33                   (e)(1) Meetings of the board shall be called by the chair or by three  
 34 (3) members of the board.

35                   (2) Three (3) members of the board shall constitute a quorum for  
 36 the transaction of business of the board.

1       (f) The members of the board shall receive no salary or other  
 2 compensation for their services except that they may receive expense  
 3 reimbursement in accordance with § 25-16-901 et seq., for attending meetings  
 4 of the board.

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

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 9       2-10-104. Powers and duties of the Arkansas Milk Stabilization Board.

10       (a) The Arkansas Milk Stabilization Board shall:

11               (1) Administer this subchapter;

12               (2) Research other states to determine how those states support  
 13 their dairy farmers;

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

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

19               (5) By December 31, 2007, the board will provide a copy of the  
 20 proposed plan determined in subdivision (a)(4) of this section to the  
 21 Secretary of the Arkansas Agriculture Department, the Farm Bureau of  
 22 Arkansas, the Arkansas Grocers and Retail Merchants Association, the Dairy  
 23 Farmers of America, the Arkansas Dairy Cooperative Association, and any other  
 24 person or entity requesting a copy of the proposed plan;

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

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

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

31       (b) The Arkansas Milk Stabilization Board shall submit its final plan  
 32 as determined under subdivision (a)(7) and rules as determined under  
 33 subdivision (a)(8) to the Legislative Council for approval no later than  
 34 March 1, 2008.

35       (c)(1) Once approved by the Legislative Council, the Arkansas  
 36 Agriculture Department shall implement the plan.

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

3           (d) The Arkansas Milk Stabilization Board shall have jurisdiction only  
4 over the milk produced and processed in this state.

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6           SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
7 General Assembly of the State of Arkansas that the dairy industry in this  
8 state is a valuable industry providing a product that is necessary for good  
9 nutrition; that the ability of dairy farms to provide a stable supply of pure  
10 and wholesome milk is a matter of great importance to the health and welfare  
11 of the people of this state; that the recent, dramatic price fluctuations  
12 threaten the viability and stability of the dairy industry of this state;  
13 that in order to safeguard this industry, a milk stabilization board must  
14 immediately be created and a viable plan for the dairy industry submitted to  
15 the Legislative Council for its approval. Therefore, an emergency is  
16 declared to exist and this act being immediately necessary for the  
17 preservation of the public peace, health, and safety shall become effective  
18 on:

19           (1) The date of its approval by the Governor;

20           (2) If the bill is neither approved nor vetoed by the Governor, the  
21 expiration of the period of time during which the Governor may veto the bill;  
22 or

23           (3) If the bill is vetoed by the Governor and the veto is overridden,  
24 the date the last house overrides the veto.