

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  
4

*As Engrossed: H3/13/07*

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

### Subtitle

13 AN ACT TO CREATE THE ARKANSAS MILK  
14 STABILIZATION BOARD.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (A) Conviction of a felony;

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

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

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

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

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

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

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

1 of the board.

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

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6 2-10-104. Powers and duties of the Arkansas Milk Stabilization Board.

7 (a) The Arkansas Milk Stabilization Board shall:

8 (1) Administer this subchapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

15           (2) If the bill is neither approved nor vetoed by the Governor, the  
16 expiration of the period of time during which the Governor may veto the bill;

17 or

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

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