

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 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1451

4
5 By: Representatives Hoyt, T. Baker, Breedlove, J. Brown, Cole, L. Cowling, Dismang, George, Hall,
6 Harrelson, Hawkins, House, Lovell, McCrary, Overbey, Perry, Pierce, Powers, Reynolds, Saunders,
7 Slinkard, Stewart, Summers, Tyler, Wagner, Webb, Wells, B. Wilkins
8 By: Senators Bryles, J. Jeffress, G. Jeffress, J. Taylor, D. Wyatt

For An Act To Be Entitled

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10
11 AN ACT TO ENSURE AN ADEQUATE SUPPLY OF ARKANSAS
12 MILK FOR ARKANSAS CONSUMERS; TO STABILIZE AND
13 STIMULATE DAIRY FARMS IN ARKANSAS; TO CREATE THE
14 DAIRY STABILIZATION FUND; AND FOR OTHER PURPOSES.
15

Subtitle

16
17 AN ACT TO ENSURE AN ADEQUATE SUPPLY OF
18 ARKANSAS MILK FOR ARKANSAS CONSUMERS; TO
19 STABILIZE AND STIMULATE DAIRY FARMS IN
20 ARKANSAS; AND TO CREATE THE DAIRY
21 STABILIZATION FUND.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

26
27 SECTION 1. Arkansas Code Title 2, Chapter 10, is amended to add an
28 additional subchapter to read as follows:

29 2-10-201. Definitions.

30 As used in this subchapter:

31 (1) "Milk producer" means any person or entity that operates a
32 bovine dairy farm that possesses a valid permit signed by the administrator
33 of the Arkansas Grade "A" Milk Program; and

34 (2) "Wholesaler" means a person or entity that is engaged as a
35 distributor or manufacturer who receives, stores, manufactures, or sells milk
36 or other dairy products to retail sellers in Arkansas.



1
2 2-10-202. Dairy stabilization fee.

3 (a) A wholesaler shall pay a dairy stabilization fee of not more than
4 thirty cents (30¢) per hundred weight on packaged milk and an equivalent
5 amount as determined by the Secretary of the Arkansas Agriculture Department
6 on other dairy products sold in Arkansas.

7 (b)(1) The dairy stabilization fee shall be assessed and collected by
8 the Director of the Department of Finance and Administration.

9 (2) The director shall deposit the dairy stabilization fee into
10 the Dairy Stabilization Fund established in § 19-6-811.

11 (c) A wholesaler that is subject to the dairy stabilization fee under
12 this section shall file a monthly return and remit the fee for the month to
13 the Director of the Department of Finance and Administration on or before the
14 15th day of the month next following the month in which the sale was made.

15 (d) The secretary shall provide quarterly reports to the Arkansas Milk
16 Stabilization Board regarding the assessment, collection, and disbursement of
17 moneys collected under this section.

18
19 2-10-203. Dairy stabilization payments.

20 (a)(1)(A) The Secretary of the Arkansas Agriculture Department shall
21 calculate monthly the difference between the average monthly blend price of
22 milk received by Arkansas milk producers as estimated by the secretary and
23 seventy percent (70%) of the average monthly cost of producing milk in
24 Missouri and Tennessee as estimated by the United States Department of
25 Agriculture.

26 (B) If the average monthly blend price of milk received by
27 Arkansas milk producers is lower than the calculated average cost of
28 producing milk in Missouri and Tennessee, the secretary shall pay the milk
29 producer the difference.

30 (2) The secretary shall not pay a milk producer more than five
31 dollars (\$5.00) per hundred weight of milk per month under subdivision (a)(1)
32 of this section.

33 (b) Payments received by a milk producer under this section shall not
34 exceed an annual average of two dollars (\$2.00) per hundred weight of milk.

35 (c)(1) The secretary shall not make payments under this subchapter
36 unless the Dairy Stabilization Fund established in § 19-6-811 contains enough

1 moneys to provide payments.

2 (2) The secretary shall make the determination of the fund
3 balance required under subdivision (c)(1) of this section in cooperation with
4 the Director of the Department of Finance and Administration.

5
6 2-10-204. Milk production and quality incentives.

7 (a) If funds are available, as an incentive to continue milk
8 production and to improve milk quality, the Secretary of the Arkansas
9 Agriculture Department may pay a milk producer the following incentive
10 payments from the Dairy Stabilization Fund:

11 (1)(A) Fifty cents (50¢) per hundred weight of milk for each
12 hundred weight of milk produced above the milk producer's average annual milk
13 production.

14 (B) A milk producer's average annual milk production
15 specified under subdivision (a)(1)(A) of this section shall be calculated
16 over the two (2) years preceding the year of disbursement; and

17 (2) Fifty cents (50¢) per hundred weight of milk if the milk
18 contains less than a four-hundred-thousand somatic cell count.

19 (b) Milk producers that begin milk production after the effective date
20 of this subchapter qualify for payments under subsection (a) of this section
21 after the completion of one (1) continuous year of milk production in
22 Arkansas.

23 (c) Annual payments to a milk producer under this section shall not
24 exceed fifty thousand dollars (\$50,000).

25
26 2-10-205. Rules.

27 The Secretary of the Arkansas Agriculture Department shall adopt rules
28 to implement this subchapter.

29
30 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 8 is amended
31 to add an additional section to read as follows:

32 19-6-811. Dairy Stabilization Fund.

33 (a) There is created on the books of the Treasurer of State, the
34 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
35 fund to be known as the "Dairy Stabilization Fund".

36 (b)(1) All moneys collected under § 2-10-202 shall be deposited into

1 the State Treasury to the credit of the fund as special revenues.

2 (2) The fund also shall consist of any other revenues as may be
3 authorized by law.

4 (c) The Secretary of the Arkansas Agriculture Department shall use the
5 fund to provide:

6 (1) Dairy stabilization payments under § 2-10-203; and

7 (2) Milk production and quality incentives under § 2-10-204.

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