

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

SENATE BILL 934

By: Senator D. Wyatt

For An Act To Be Entitled

AN ACT TO THE PROVIDE FOR GRANTS AND INCENTIVES
TO ASSIST ARKANSAS DAIRY FARMERS IN CONTINUING TO
PRODUCE MILK IN THIS STATE; TO CREATE THE
ARKANSAS AGRICULTURE DEPARTMENT DAIRY
STABILIZATION PROGRAM FUND; AND FOR OTHER
PURPOSES.

Subtitle

TO THE PROVIDE FOR GRANTS AND INCENTIVES
TO ASSIST ARKANSAS DAIRY FARMERS IN
CONTINUING TO PRODUCE MILK IN THIS STATE
AND TO CREATE THE ARKANSAS AGRICULTURE
DEPARTMENT DAIRY STABILIZATION PROGRAM
FUN.

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

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

2-10-201. Findings -- Intent.

(a) The General Assembly finds that:

(1) The State of Arkansas is at risk of losing its dairy industry if immediate legislative action is not taken to reduce the sharp decline in the number of its dairy farms; and

(2) The loss of the dairy industry in Arkansas will result not only in the demise of dairy farming but also in significantly higher milk cost to Arkansas's citizens, including its children, and a loss of jobs in



1 the processing of milk products.

2 (b) The intent of this subchapter is to:

3 (1) Prevent harm to Arkansas's consumers and dairy industry;

4 (2) Establish the Dairy Stabilization Program that will
5 safeguard the interests of dairy producers in this state;

6 (3) Ensure that dairy producers receive fair market breakeven
7 prices;

8 (4) Provide consumers a continuous and affordable supply of
9 Arkansas-produced fluid milk and other dairy products;

10 (5) Reverse the loss of dairy farms in the state;

11 (6) Significantly curtail the increase in milk prices to the
12 consumer by helping to ensure in-state production; and

13 (7) Maintain and potentially increase jobs in the processing of
14 milk products by stabilizing prices to dairy farmers.

15
16 2-10-202. Definition.

17 As used in this subchapter, "milk producer" means a person or entity
18 that operates a bovine dairy farm that possesses a valid permit signed by the
19 administrator of the Arkansas Grade "A" Milk Program.

20
21 2-10-203. Dairy Stabilization Grant.

22 (a) The Dairy Stabilization Grant is created.

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

29 (B) If the average monthly blend price of milk received by
30 Arkansas milk producers is lower than seventy percent (70%) of the calculated
31 average cost of producing milk in Missouri and Tennessee, the milk producer
32 is eligible for a monthly Dairy Stabilization Grant in the amount of the
33 difference, which will be paid quarterly. The secretary shall pay the milk
34 producer, by the 15th day of the month following the end of the quarter.

35 (2) The secretary shall not pay a milk producer more than five
36 dollars (\$5.00) per hundred weight of milk per month under subdivision (a)(1)

1 of this section.

2 (c) Grants received by a milk producer under this section shall not
3 exceed an annual average of two dollars (\$2.00) per hundred weight of milk.

4 (d) Grants authorized by the secretary shall be made to the milk
5 producer from moneys appropriated by the General Assembly for that purpose.

6
7 2-10-204. Milk production and quality incentives.

8 (a) If funds are available, as an incentive to continue milk
9 production and to improve milk quality, the Secretary of the Arkansas
10 Agriculture Department may recommend that the Director of the Department of
11 Finance and Administration pay a milk producer the following incentive
12 payments:

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

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

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

21 (b) A milk producer that begin milk production after the effective
22 date of this subchapter qualifies for payments under subsection (a) of this
23 section after the completion of one(1) continuous year of milk production in
24 Arkansas.

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

27 (d) If funds are available the secretary shall pay the annual
28 production and quality incentive payments to the eligible milk producers by
29 January 15th of the following year.

30
31 2-10-206. Rules.

32 The Director of the Department of Finance and Administration and
33 Secretary of the Arkansas Agriculture Department shall adopt rules to
34 implement this subchapter.

35
36 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 8 is amended

1 to add an additional section to read as follows:

2 19-6-811. Arkansas Agriculture Department Dairy Stabilization Program
3 Fund.

4 (a) There is created on the books of the Treasurer of State, the
5 Auditor of State, and the Chief Fiscal Officer of the State, the Arkansas
6 Agriculture Department Dairy Stabilization Program Fund.

7 (b)(1) Moneys from a Dairy Stabilization Program Appropriation from
8 general revenue shall be deposited into the Arkansas Agriculture Department
9 Dairy Stabilization Program Fund.

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

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

14 (1) Dairy Stabilization Grants under § 2-10-203; and

15 (2) Milk production and milk quality incentives under § 2-10-
16 204.