

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.

State of Arkansas
87th General Assembly
Regular Session, 2009

As Engrossed: S3/12/09

A Bill

SENATE BILL 934

By: Senator D. Wyatt
By: *Representatives Hoyt, Reynolds*

For An Act To Be Entitled

AN ACT TO 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 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 FUND.

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



1 cost to Arkansas's citizens, including its children, and a loss of jobs in
2 the processing of milk products.

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

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

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

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

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

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

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

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

16
17 2-10-202. Definition.

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

21
22 2-10-203. Dairy Stabilization Grant.

23 (a) The Dairy Stabilization Grant is created.

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

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

36 (2) The secretary shall not pay a milk producer more than five

dollars (\$5.00) per hundred weight of milk per month under subdivision (a)(1) of this section.

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

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

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

(a) If funds are available, as an incentive to continue milk production and to improve milk quality, the Secretary of the Arkansas Agriculture Department may pay a milk producer the following incentive payments:

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

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

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

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

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

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

2-10-206. Rules.

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

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

to add an additional section to read as follows:

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

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

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

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

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

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

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

/s/ D. Wyatt