

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 *As Engrossed: S3/12/09 S3/18/09 H3/24/09*

2 87th General Assembly

A Bill

3 Regular Session, 2009

SENATE BILL 934

4

5 By: Senator D. Wyatt

6 *By: Representatives Hoyt, Reynolds, L. Cowling, House, Hawkins, McCrary, Pierce, J. Roebuck,*

7 *Stewart, Tyler, Wagner, Webb, B. Wilkins*

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10 For An Act To Be Entitled

11 AN ACT TO PROVIDE FOR GRANTS AND INCENTIVES TO
12 ASSIST ARKANSAS DAIRY FARMERS IN CONTINUING TO
13 *PRODUCE MILK IN THIS STATE; AND FOR OTHER*
14 *PURPOSES.*

15

16

Subtitle

17 *TO PROVIDE FOR GRANTS AND INCENTIVES TO*
18 *ASSIST ARKANSAS DAIRY FARMERS IN*
19 *CONTINUING TO PRODUCE MILK IN THIS*
20 *STATE.*

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

24

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

27 2-10-201. Findings -- Intent.

28 (a) The General Assembly finds that:

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

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

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



- 1 (1) Prevent harm to Arkansas's consumers and dairy industry;
2 (2) Establish the Dairy Stabilization Program that will
3 safeguard the interests of dairy producers in this state;
4 (3) Ensure that dairy producers receive fair market breakeven
5 prices;
6 (4) Provide consumers a continuous and affordable supply of
7 Arkansas-produced fluid milk and other dairy products;
8 (5) Reverse the loss of dairy farms in the state;
9 (6) Significantly curtail the increase in milk prices to the
10 consumer by helping to ensure in-state production; and
11 (7) Maintain and potentially increase jobs in the processing of
12 milk products by stabilizing prices to dairy farmers.

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14 2-10-202. Definition.

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

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19 2-10-203. Dairy Stabilization Grant.

20 (a) The Dairy Stabilization Grant is created.

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

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

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

36 (c) Grants received by a milk producer under this section shall not

1 exceed an annual average of two dollars (\$2.00) per hundred weight of milk.

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

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

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

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

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

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

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

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

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

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28 2-10-206. Rules.

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

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36 */s/ D. Wyatt*