

Analysis of Budget Request

Appropriation: 675 - Beef Council-Operations

Funding Sources: SBC - Arkansas Beef Council Fund

The purpose of the Arkansas Beef Council is to coordinate and implement a program of promotion, research and market development to enhance the image of beef and to improve the potential of Arkansas' cattle industry.

This appropriation is funded entirely by Special Revenues consisting of a federally established assessment rate per head of cattle sold in the state. Half of the amount collected is forwarded to the national Beef Promotion and Research Board for consumer and industry information programs, advertising and research programs, and beef-related promotion. The remaining half of all fees received is retained by the Arkansas Beef Council to fund state-based programs which complement and extend the industry-wide effort. There is a proposed increase in the federal assessment rate from the current rate of \$1/head to the proposed new rate of \$2/head. This increase would double the fee income available to the Council during the FY2011.

The Agency Base Level Request includes appropriation of \$1.1 million each year of the biennium.

The Agency Change Level Request includes additional appropriation in the amount of \$1 million in the second year of the biennium. This request includes \$963,000 for the Research & Development line item and \$37,000 for the Operating Expenses line item. This additional appropriation will enable the agency to utilize the additional funding anticipated from the proposed increase in the federally established assessment rate on cattle sold in the state.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	12,114	50,000	50,000	50,000	50,000	50,000	87,000	87,000	87,000
Conference & Travel Expenses	5050009	71	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Research & Development	5900031	915,490	1,037,000	1,037,000	1,037,000	1,037,000	1,037,000	2,000,000	2,000,000	2,000,000
Total		927,675	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	2,100,000	2,100,000	2,100,000
Funding Sources										
Fund Balance	4000005	155,007	143,553		43,553	43,553	43,553	0	0	0
Special Revenue	4000030	916,221	1,000,000		1,056,447	1,056,447	1,056,447	2,100,000	2,100,000	2,100,000
Total Funding		1,071,228	1,143,553		1,100,000	1,100,000	1,100,000	2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)		(143,553)	(43,553)		0	0	0	0	0	0
Grand Total		927,675	1,100,000		1,100,000	1,100,000	1,100,000	2,100,000	2,100,000	2,100,000

FY2011 funding reflects a potential increase in the federally mandated assessment rate from \$1/head of cattle sold in the State to \$2/head.