

Analysis of Budget Request

Appropriation: 686 - Corn and Grain Sorghum

Funding Sources: SGS - AR Corn and Grain Sorghum Promotion Board Fund

The purpose of the Corn and Grain Sorghum Promotion Board is to promote the growth and development of the corn and grain sorghum industries in the State of Arkansas. The funds are primarily used to maintain a program of research through the University of Arkansas Agricultural Experiment Station and Cooperative Extension Service. A small portion is used for other programs designed to enhance the Arkansas corn and grain sorghum industries.

The Board is funded entirely by Special Revenues collected from a one cent per bushel assessment at the first point of sale or when the corn or grain sorghum enters the USDA loan program and is applicable to all corn and grain sorghum produced in Arkansas for market. The Board utilizes these funds to finance operating expenses and to conduct a program of research, market development, and promotion. In recent years, increases in both crop prices and in the number of corn acres farmed in Arkansas have caused the Board's revenue receipts to increase from approximately \$230,000 in FY2006 and FY2007 to over \$950,000 in FY2008.

The Agency Base Level Request includes appropriation of \$627,200 each year of the biennium.

The Agency Change Level Request includes the following:

- Operating Expenses: Increase in appropriation of \$15,000 each year of the biennium to cover increases in administrative expenses to support increase in the research, promotion and market development program.
- Research and Development: Increase in appropriation of \$557,800 each year of the biennium to enable the agency to utilize the increases in revenues on research, promotion, and market development programs that directly relate to the objectives of the Board.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 686 - Corn and Grain Sorghum

Funding Sources: SGS - AR Corn and Grain Sorghum Promotion Board Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	8,827	10,000	10,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
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	588,786	617,200	617,200	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
Total		597,613	627,200	627,200	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Funding Sources										
Fund Balance	4000005	58,609	418,280		791,080	791,080	791,080	591,080	591,080	591,080
Special Revenue	4000030	957,284	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		1,015,893	1,418,280		1,791,080	1,791,080	1,791,080	1,591,080	1,591,080	1,591,080
Excess Appropriation/(Funding)		(418,280)	(791,080)		(591,080)	(591,080)	(591,080)	(391,080)	(391,080)	(391,080)
Grand Total		597,613	627,200		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000