

Arkansas Agriculture Department  
No. 1 Natural Resources Drive  
Little Rock, AR 72205

**FILED**

DEC 01 2010

CHARLIE DANIELS  
SECRETARY OF STATE

**Arkansas Milk Stabilization Program**  
**Rules for Program Administration and Grant Applications**

**A. Purpose**

To halt the decline in Arkansas milk production by providing grants to milk producers during periods of financial stress and provide grants to individual milk producers who increase their volume and quality of milk above production during a base period.

**B. Authority**

Act 968 of the 2009 regular session of the 87<sup>th</sup> Arkansas General Assembly provides for grants and incentives to assist Arkansas dairy farmers to continue producing milk in the state and authorizes the Secretary and the Arkansas Agriculture Department to administer the program

**C. Definitions**

1. **Eligible Milk Producer** means a person or entity that operates a bovine farm producing milk in Arkansas and possesses a valid permit signed by the administrator of the Arkansas Grade "A" Milk Program administered by the Arkansas Department of Health. The producer may be an individual, group of individuals, partnership, corporation, estate, trust association, cooperative or other business or other legal entity who directly or indirectly shares in the risk of producing milk and makes contributions to the dairy operation commensurate with the share of the proceeds of the operation.
2. **Milk Handler** means the marketing agency or cooperative to or through which the eligible milk producer commercially markets whole milk.

3. **Milk Production** means the volume of milk delivered by an eligible milk producer to a handler for commercial marketing.
4. **Year** means a year beginning July 1 of each calendar year and extending through June 30 of the following calendar year.
5. **Monthly Producer Milk Price** means the average price received each month by Arkansas eligible milk producers as estimated by the Secretary using blend price data from marketing agencies or cooperatives.
6. **Blend Price** means the volume-weighted average price of milk received by milk producers from all Federal Milk Marketing Order classes of milk marketed during a specified period.
7. **Department** means the Arkansas Agriculture Department.
8. **Secretary** means the secretary of the Arkansas Agriculture Department.
9. **Board** means the Arkansas Milk Stabilization Board.
10. **Cwt.** means a hundredweight or 100 pounds of whole milk.
11. **The Arkansas Milk Stabilization Board** means the board created by Act 754 of the regular session of the 86<sup>th</sup> Arkansas General Assembly.

#### **D. Dairy Stabilization Grants**

The Secretary after each month shall calculate the monthly average blend price of milk received by Arkansas eligible milk producers and obtain from the U.S. Department of Agriculture's Economic Research Service the monthly average cost of producing milk in Missouri and Tennessee. Secretary shall compare the monthly Arkansas average blend price of milk with 70 percent of the estimated monthly cost of producing milk in Missouri and Tennessee.

If the Secretary determines the Arkansas average blend price of milk is lower than the 70 percent of the estimated cost of producing milk in Missouri and Tennessee, eligible milk producers will be eligible for a monthly Dairy Stabilization Grant, provided funds are available.

The Secretary shall determine the amount of the monthly grant after consulting with the Arkansas Milk Stabilization Board regarding the Arkansas dairy situation and taking into account the monthly grant cannot exceed \$5.00 per cwt. per month and the annual average grant cannot exceed \$2.00 per cwt. The Secretary shall provide the grant to the milk producer monthly or quarterly but not later than the last day of the month following the end of a quarter.

#### **E. Milk Production and Quality Incentive Grants**

The Secretary will provide milk production and quality incentive grants to eligible milk producers if funds are available in accordance with the following provisions:

- (1) 50 cents per cwt. of milk for each cwt. of milk produced during a given year above the producer's average annual production during the preceding two years as reported by the producer's milk handler/marketing cooperative.
- (2) 50 cents per cwt. for the milk produced during a given year above the average annual production of the preceding two years if the somatic cell count is below four hundred thousand for milk produced during the given year, as reported by the producer's milk handler/marketing cooperative.
- (3) A milk producer who begins milk production after July 1, 2009 qualifies for production and quality incentives after completion

of one year of continuous milk production in Arkansas.

- (4) Annual incentives to milk producers for milk production and quality shall not exceed \$50,000.00 per producer.

#### **F. Applications Dedline**

Dairy stabilization and incentive grants are available to eligible producers each state fiscal year (July 1-June 30) as funds are available. Producers wanting to be considered for grants must make applications on AAD forms.

#### **G. Records**

Participants receiving Dairy Stabilization Grants and Milk Production and Quality Incentive Grants shall keep monthly and annual production, marketing and grant records and receipts for five years from the time the last monthly or annual grant is received.

#### **H. Auditing**

Participants in the Dairy Stabilization and Milk Production and Quality programs shall agree to make available to the Department's staff, upon request, all documents necessary to substantiate claims made in regards to their applications and grants received, including production and marketing records.

Little Rock, AR 72205  
Telephone: 501-683-4851

**Arkansas Dairy Stabilization Grant**

**Application**

Name: \_\_\_\_\_  
Producer, Partnership or Entity

Address: \_\_\_\_\_  
Mailing Address

\_\_\_\_\_

City	State	Zip
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Telephone: \_\_\_\_\_  
Home Office Mobile

Email: \_\_\_\_\_

County: \_\_\_\_\_

Grade "A" Permit No.: \_\_\_\_\_

Milk Handler/Marketing Cooperative:

\_\_\_\_\_

Name

\_\_\_\_\_

Address

\_\_\_\_\_

Contact

Partnership or Entity Information (if applicable)

Names	Address	Share
_____	_____	_____
_____	_____	_____
_____	_____	_____

I hereby authorize the above named milk handler/marketing cooperative to provide my monthly milk marketings to the Arkansas Agriculture Department beginning July 1, 2009.

\_\_\_\_\_  
Signature of Producer or Authorize Representative

**Arkansas Dairy Stabilization Grant – Cont'd**

**Producer Certifications and Signatures:**

I hereby certify: I am a milk producer or a representative authorized to sign this application on behalf of a producer.

I have read and understand all provisions of the Arkansas Dairy Stabilization Grant Program and agree to the terms and conditions therein and further understand any false statement on the application can be subject to substantial civil and/or civil liability and sanctions.

I agree to maintain records pertaining to the Arkansas Dairy Stabilization Program for a period of 5 years from the time the last monthly grant is received.

I agree to furnish such information and reports relating to the program as may be requested by the Arkansas Agriculture Department.

I agree to forward to the Arkansas Agriculture Department copies of any and all records that support the receipt of assistance under the Arkansas Dairy Stabilization Program.

I agree to make such records available at all reasonable times for an audit or inspection by authorized representatives of the Arkansas Agriculture Department.

I understand failure to keep, or make available, such records will result in a termination of eligibility under the program and any funds received under the program shall be refunded to the Arkansas Agriculture Department, plus interest thereon, as determined by the Arkansas Agriculture Department.

\_\_\_\_\_  
Producer Signature

\_\_\_\_\_  
Date