

# State Agricultural Services and Programs: Policy Options for Arkansas

Arkansas Public Policy Panel, January 20, 2001  
1308 West Second Street  
Little Rock, Arkansas 72201  
501-376-7913  
[www.ARPANEL.org](http://www.ARPANEL.org)



## **Executive Summary**

Every state in the US other than Arkansas has a means of pulling the various agriculture-related offices, divisions, and/or agencies together under an entity charged with integrating agriculture policy, regulation and services. Because of our lack of integrated agricultural policy, Arkansas misses out on numerous opportunities that other states are aggressively pursuing, including: promotion; marketing; comprehensive agricultural development; policy analysis and development; exploration of long-term sustainability of Arkansas agriculture and rural communities.

**Agriculture Programs and Services in Other States.** States most often coordinate their agricultural programs and services through a state department of agriculture. The structures of those departments and the duties they perform vary widely. Descriptions of Arkansas' surrounding states departments of agriculture are included in this report. Model programs that are successful at promoting, sustaining and developing agriculture and rural communities abound in states around the nation, while Arkansas is left behind. Examples of such programs are described below.

**Options.** Options for better supporting Arkansas agriculture include: creating an independent agricultural marketing program, creating an agricultural ombudsman or czar, or creating a central hub for Arkansas agriculture similar to surrounding states' departments of agriculture.

The pros of both the marketing program and the agricultural czar approaches are that they may be more politically feasible in a shorter period of time and they do address important needs. The cons include that they do not address numerous other needs that Arkansas agriculture has, and they make our system larger and more bureaucratic instead of smaller and more efficient.

The pros of creating a central hub for Arkansas agriculture similar to surrounding states include that it would provide a coordinated and comprehensive way of dealing with many of the challenges Arkansas farmers face and it would be more user friendly and accountable to farmers and the rest of the public. In addition, it would make our current system more efficient and less bureaucratic, therefore saving money. And it would provide new avenues for federal resources to support local farmers. The cons are that the agency would need to fold in several existing, powerful state agencies, making it less politically expedient. And it would not solve all of Arkansas' agriculture problems in and of itself. It would still need innovative new programs and a strong, open and accountable leadership structure.

**Recommendation.** We recommend the creation of an Arkansas Office of Agricultural Services and Farm Sustainability. Several existing agencies would become divisions of the Office, but their programs would remain the same. The Office would create new divisions to focus on marketing, customer service, financing, innovation, and farm advocacy. Funding could come from existing programs by reducing redundancy and inefficiencies, and from federal government and private monies only available to state departments of agriculture.

## **Preface:**

Arkansas agriculture and rural communities are in crises. Small, independent and family farmers are losing ground every year, corporate farming is expanding, rural communities are losing population, losing resources, and in some cases flat out dying. (See Arkansas Public Policy Panel report on USDA Census Data, January 1999)

The Arkansas Public Policy Panel is working with several grassroots farm organizations around the state to help them organize their communities and analyze the problems facing Arkansas agriculture. This report grew out of that work, and the hard work and expertise of the grassroots farmers we work with. Our bias is that the goal of agriculture policy should be to sustain farming and rural ways of life as viable economic and lifestyle choices. Family agriculture is a deep part of our tradition, our stewardship, and our culture. It should remain a deep part of our future.

This report is a view of current Arkansas agriculture policy supports, what surrounding states do, what some model programs are, and lastly an analysis and proposal for new ways to think about possibilities here in Arkansas. This report is not intended to be a complete, comprehensive view of Arkansas agriculture. The landscape is too complex, and such a comprehensive view would be years in the making.

This report is intended to be a basis for dialogue – dialogue between grassroots farmers, between policy makers, and with the public. Arkansas needs to talk about how we can help save family farms and rural communities with state policy. Those conversations are already occurring at coffee shops and kitchen tables around the state, and with many of our dedicated public officials. Perhaps this report will help more farmers and policy makers talk about how we can protect our rural values. This report is a tool that hopefully can add some level of understanding about what is here in Arkansas, and what is possible if we are determined to sustain and strengthen Arkansas farmers.

**Table of Contents:**

**I. Introduction** . . . . . Page 5

**II. Current Arkansas agricultural agencies and services** . . . . . Page 6

Livestock and Poultry Commission

Plant Board

-Bureau of Standards

Forestry Commission

Soil and Water Conservation Commission

Rural Development Agency

Economic Development Commission

Development Finance Authority

Commodity Checkoff Programs

    Beef Council

    Catfish Promotion Board

    National Pork Board

    Corn and Grain Sorghum Promotion Board

    Rice Research and Promotion Board

    Soybean Promotion Board

    Wheat Promotion Board

**III. Neighboring state’s government agricultural sectors** . . . . . Page 11

Kansas

Louisiana

Mississippi

Missouri

Oklahoma

Texas

Tennessee

**IV. Possible agricultural programs** . . . . . Page 23

Marketing:

    Information Services

    Market News

    Grading

    Direct Marketing

    Promotions

    Diversification and Value Added Processing

    Trade and International Marketing

Financing

Communications

Other: Farm Advocate

    Community Development

    Innovation

    On-Farm Programs

**V. Potential models for Arkansas and a recommendation** . . . . . Page 28

**VI. Conclusion** . . . . . Page 33

Acknowledgements

Appendix. Recommended organizational chart, and charts from other states

## **I. Introduction:**

Arkansas state governmental bodies that relate to agriculture mirror other states in many of the programs and services they offer. The difference between Arkansas' agricultural support structure and that of other states' lies in the way it is organized and the level of programs and services offered.

Every other state in the US has a means of pulling the various agriculture-related offices, divisions, and/or agencies together under an entity charged with integrating agriculture policy, regulation and services. In every other state besides Arkansas, this is done by vesting a secretary/commissioner/director of agriculture with the authority to delegate policy and program responsibilities throughout what is generally called a state department of agriculture. This commissioner also represents the state's agricultural sector at the cabinet level, state legislature, the federal Congress and agencies, and to the domestic and international private sector.

Arkansas is set apart from other states in that here the various agricultural state agencies, boards, and commissions operate independently of each other, with little to no obligation to coordinate their efforts in an organized, comprehensive way. Largely because there is no coordination, there are few if any attempts to provide key support functions such as promotion, product development, marketing, agricultural policy analysis and development, exploration of long-term sustainability of Arkansas agriculture and rural communities, etc. Arkansas is missing opportunities while our neighboring states, and indeed almost every state in the US, is providing much better coordination and support for their farmers.

Most boards and commissions in Arkansas were set up in response to a specific agricultural sector's need, such as pest problems, or the need to finance rural development. Arkansas' state government has never performed an exhaustive reorganization of the approximately 15 different agencies into one, inclusive state body capable of effectively supporting and representing the agricultural and rural sectors of the state. A more uniform structure would streamline the bureaucracy farmers currently face, be better able to provide much needed services, and attract outside funding to help develop agriculture in the state. Money saved by eliminating duplications and waste in our current agency structure could be used to expand the types of support we offer farmers and rural communities, bringing Arkansas at least to par with neighboring states.

## **II. Current Arkansas agricultural agencies and services**

The current spectrum of Arkansas government-agricultural entities is discussed here along with their purpose and main activities.

### **Arkansas Livestock and Poultry Commission**

The current incarnation of the Arkansas Livestock and Poultry Commission was formed in 1963. Commission Members are appointed by the governor, with the advice and consent of the Senate, and serve staggered seven-year terms. The Dairy Committee is part of the Commission. Major programs of the Livestock and Poultry Commission are veterinary lab services, the Brucellosis Control and Eradication Program, The Egg Grading program, and the livestock inspection and disease control program.

The Livestock and Poultry Commission's annual state-appropriated budget for the 1999-2000 fiscal year was \$10,225,032.

### **Arkansas State Plant Board**

The Arkansas State Plant Board was established 83 years ago to eradicate the boll weevil. Today, the Plant board regulates many sectors of Arkansas agriculture including agricultural chemicals (like fertilizer and pesticides), seeds and nurseries. A few of the Board's numerous tasks include regulation and approval of product labeling for agricultural use; issuance of permits and licenses to agricultural manufacturers, producers, vendors, and consultants; continuous inspection and sampling of products under licensed agreements; and administering fines for violations.

The Board is composed of 16 members, nine of which are elected by specific industry associations (not by any elected official). Another five are appointed by the Governor to fill slots designated for specific commodities, and the remaining two are from within the University of Arkansas system and are not allowed to vote on the board's business. The very industries the board is charged with regulating are the same industries who chose the majority of this regulatory board's membership.

The Plant Bureau's annual state-appropriated budget for the 1999-2000 fiscal year was \$14,754,175.

### **Bureau of Standards**

A division of the Arkansas State Plant Board, the Bureau of Standards was created to ensure Arkansas consumers get what they pay for and producers actually sell what they advertise. The Bureau maintains state standards of measurement, ensures

petroleum quality, and conducts inspections of commercial weighing and measuring devices.

### **Arkansas Forestry Commission**

The Arkansas Forestry Commission is a nine-member, governor–appointed body in charge of directing and developing the forest resources of Arkansas. The Commission currently places an emphasis on monitoring forest health, detecting and suppressing wildfires, promoting reforestation, assisting rural fire departments, and providing forest management assistance to private landowners.

The Forestry Commission’s annual state-appropriated budget for the 1999-2000 fiscal year was \$17,730,823.

### **Soil and Water Conservation Commission**

Nine Governor-appointed commissioners oversee the Soil and Water Conservation Commission. The commission is responsible for insuring the safe, effective and equitable use of water and land resources. Duties of the Commission include financial assistance for community water and waste disposal systems; policy formation; and making regulatory decisions on soil conservation, dam safety, and water-resource planning and development. The Commission also helps the state’s 76 soil conservation districts control and prevent soil erosion, preserve natural resources, implement flood control, help farmers create pollution prevention plans, prevent floodwater and sediment dangers, and provide dam safety.

The Soil and Water Conservation Commission’s annual state-appropriated budget for the 1999-2000 fiscal year was \$20,763,092

### **Department of Rural Services**

The Arkansas Rural Development Commission consists of eleven regular voting members, who represent rural areas of the state. All commissioners are private citizens. Seven are appointed by the Governor from each of Arkansas’ four congressional districts to serve five year terms. The remaining four members are appointed two each by the President Pro Tempore of the Senate and the Speaker of the House.

It is the access point for individuals, government agencies, and private organizations with interest in Arkansas’ rural policies and programs. The Department also provides technical assistance to rural areas. Another primary function of the Department is awarding rural development grants for rural fire protection; agriculture and the environment; community facilities and housing; economic development and

employment; education and community life; health care and human services; land use and natural resources; local government and management; and telecommunications and transportation.

The Department of Rural Services' annual state-appropriated budget for the 1999-2000 fiscal year was \$944,894.

### **Arkansas Development Finance Authority**

The Arkansas Development Finance Authority is a public and political body structured as a corporation. It finances qualified projects through revenue bonds and other debt instruments. A Board of Directors governs ADFFA and is composed of the State Treasurer, Director of the Department of Finance and Administration and eleven public members whom the governor appoints. ADFFA has an Agriculture/Aquaculture Division with a focus on lending to Agriculture and Aquaculture businesses. ADFFA has legislative authority to issue tax-free bonds that are paid off with proceeds from loans made to farmers and companies developing value-added enterprises. ADFFA works with the Farmer MAC Guaranteed Loan Program and the Agricultural Loan Mediation and Development Program. 84% of the ADFFA funding is from federal sources.

ADFFA also administers a \$1 million revolving loan fund for cooperatives including vegetable and table grape grower cooperatives. ADFFA also administers loans through its Crop and Livestock Loan Program.

A Beginning Farmer Program is also administered by the Division, using tax-exempt bonds to assist farmers in becoming farm owners.

The ADFFA's Agriculture/Aquaculture Division's annual state-appropriated budget for the 1999-2000 fiscal year was \$186,463.

### **Commodity Check-off Programs**

Many agricultural commodity groups have check-off programs whereby a small charge is levied on the sale of the commodity, which goes into a fund that is used for product promotion and development. In some cases, check-off funds are also used for research related to the particular commodity. These programs are subject to vote by the relevant farmers and are each managed by some kind of public commission or board.

#### **Beef Council**

The Beef Council is responsible for beef research, promotion, and market development. It is directed by a Governor appointed seven member board.

Funding for the board comes from a \$1/head assessment of cattle sold. This amounted to \$1,218,660 during the 1999-2000 fiscal year.

### **Catfish Promotion Board**

Promotes growth and development of the catfish industry in Arkansas through research, extension, and market development. The Board consists of seven members appointed by the governor. A \$1/ton fee on catfish feed covers the cost of board operations, the total amount of which for fiscal year 1999-2000 came to \$229,360.

### **National Pork Board**

Enhances marketing and promotion opportunities for pork producers. The program is funded by a checkoff of 25 cent/\$100 value of animals sold. Pork farmers recently voted to stop the pork checkoff program, though the election is being contested.

### **Corn and Grain Sorghum Promotion Board**

The Corn and Grain Sorghum is the youngest of the commodity checkoff programs. It runs programs for research, promotion, and market development of Arkansas corn and grain sorghum products. Its funding comes entirely through assessment fees and amounted to \$627,200 during the 1999-2000 fiscal year

### **Rice Research and Promotion Board**

The Rice Research and Promotion Board has nine Governor-appointed members. The Board seeks to promote the rice industry in Arkansas through market development, research, promotion, and advertising. This amounted to \$6,980,696 during the 1999-2000 fiscal year. The total amount raised over the 1999-2000 fiscal year was \$4,410,000.

### **Soybean Promotion Board**

The nine member Soybean Promotion Board receives its funding from a 1¢/bushel checkoff on soybeans. The board uses these funds to do research, market development, advertising, and promotion of Arkansas Soybeans.

### **Wheat Promotion Board**

The Arkansas Wheat Promotion Board was established in 1985 to promote the growth and development of the wheat industry in Arkansas through market development, research, promotion, and advertising. The board consists of nine members who are appointed by the Governor.

### **Cooperative Extension Service**

One of the major institutions supporting agriculture is the Division of Agriculture in the University of Arkansas, which includes the University of Arkansas Cooperative

Extension Service, the Arkansas Experiment Station, and the University of Arkansas College of Agriculture. The Experiment Station provides extensive research support to Arkansas agriculture, much of which is size neutral and can benefit small, family farms as well as large, corporate farms (e. g., the blueberry and tomato crops of Arkansas). However, like other Land Grant Institutions, the Experiment Station increasingly serves "the industry" rather than focusing upon the needs of smaller, family farms.

The University of Arkansas Cooperative Extension Service, a partnership between the federal government, the state, and local counties, provides technical support, principally through adult education and the dissemination of technical information, through its 75 county offices. It has programs for Youth, in Home Economics, and in Community Development, but most of its resources are dedicated to supporting agricultural production.

### **III. Neighboring states' government agricultural sectors**

The governmental agricultural sectors of our neighbors are as diverse as the terrain between us. The exception is that all of our neighbors have a coordinated agriculture program under a state department of agriculture, and they are all doing far more than Arkansas in terms of supporting their farmers and developing sustainable futures for agriculture in their states.

#### **Kansas**

The Kansas Department of Agriculture's predecessor, the State Board of Agriculture, was established in 1872. The Board of Agriculture was empowered to meet and elect officers and the Secretary of Agriculture and to make an annual report relative to the conditions of agriculture across the state. The 1872 statutes provided for the state to be divided into districts with board members elected from each district by farm organizations at an annual meeting in Topeka in January.

In 1993, a lawsuit was filed against the board members and the Secretary of Agriculture in the Federal Court. It was ruled that the method in which the board members and the Secretary of Agriculture were elected violated the 14th Amendment to the US Constitution and was therefore unconstitutional. This ruling unseated the Secretary and the members of the board of Agriculture.

In 1995, the state government created the currently functioning Department of Agriculture and a nine-member Advisory Board of Agriculture appointed by the Governor. The Secretary of the Department of Agriculture now is appointed by the Governor from a list of three nominees submitted by the advisory board, then confirmed by the senate. The board advises the Governor and the Secretary and reviews and makes recommendations on rules and regulations and legislative initiatives. According to a communications officer, the Department's funding varies by legislative session but generally is approximately 45% general state appropriations, 45% inspection fees, and 10-15 % federal grant funds from USDA, EPA, FDA, and FEMA.

The Department's focus is on regulation ensuring the safety of the meat, milk and egg supply; regulating pesticides and nutrients; weights and measures; and water use. Within the Department there are five divisions: Administration and Support, Food Safety and Consumer Protection, Water Resources Programs, Environmental Protection, and the Agricultural Laboratory. The Secretary manages the Administration and Support Division and the other programmatic divisions through the Assistant Secretary.

Water Resources Programs:

- Water Appropriations

- Water Structures
- Water Management Services
- State Water Plan Implementation

Food Safety and Consumer Protection Programs:

- Dairy Inspection Program
- Meat & Poultry Program
- Agricultural Commodities Assurance Program
- Grain Warehouse Program
- Weights and Measures Program

Environmental Protection:

- Plant Protection Program
- Pesticide & Fertilizer Program (Pesticides, Commercial Fertilizer, Soil Amendments, Anhydrous Ammonia, Agricultural Lime).

Laboratory Program:

- The Laboratory Program establishes, maintains and improves analytical laboratory services for the meat and poultry program, the dairy program, ACAP, and pesticide use programs in the Department.

## **Kentucky**

The Kentucky Department of Agriculture was created before the turn of the century and, while having some regulatory functions, has a heavy focus on marketing. It is overwhelmingly funded by general legislative funds, and not allowed to levy fees w/o a mandate from the legislature.

A biannually-elected Commissioner of Agriculture oversees a department with four programmatic offices-each having a varying number of divisions whereby programs are actually implemented. There is also one Office of Strategic Planning and Administration with four divisions under it (Information Technology, Fiscal and Intergovernmental Management, Personnel and Staff Development, and PR and Communications). A Chief of Staff and General Counsel oversee the Divisions and act as legal counsel for the commission, respectively.

The Office of the State Veterinarian is responsible for monitoring the health and welfare of the state's livestock, and enforcing the state's livestock sanitation regulations. It oversees one division, the Division of Animal Health, which is charged with controlling animal disease and conducts programs for all the livestock species in the state

The Office for Consumer and Public Service looks out for the health and welfare of Kentucky consumers as related to Agriculture. The Division of Regulation and Inspection oversees a wide variety of industries ranging from weights and measures, eggs and dairy, and amusement park rides. It also operates a Division of Food Distribution and a Farm and Home Safety Program, helping sometimes isolated farm families gain access to home safety information.

The Office of Agricultural Marketing and Product Promotion is one of the most diverse and well-funded in the nation. It has an aggressive focus on promoting the entire state's farm sector both domestically and internationally.

- Division of Show and Fair Promotion sponsors district, state, and national livestock shows, monitors 102 county fairs, administers the Aid to Local Agricultural Fairs Program.
- Division of Market Research conducts the "Pride of Kentucky" Logo program and the Farmer's Market Nutrition Program
- Division of Value Added Dairy provides marketing assistance for dairy farmers and heifer growers. It administers a program to create local dairy cooperatives, market heifer breeds, and a public awareness and product promotion program.
- The Division of Horticulture/Aquaculture promotes and assists farmers in the many aspects of making sales. It conducts marketing assistance programs for all the major horticultural crops, a Direct Marketing/Farmers Market Program, Organic Certification, and a "Kentucky – Where Quality Grows" logo program.
- There are four value added marketing divisions (poultry, forage, livestock, and wood) to promote sales, management, perform market research, and product development. In addition to conducting programs in the above areas, they maintain directories of secondary product producers.

The Office for Environmental Outreach was set up to assist farmers in dealing with environmental issues. It operates three divisions. This Division is merely educational and has no regulatory power.

- Division of Pesticides
- Division of Pest/Weed
- Division of Agricultural and Environmental Education

## **Louisiana**

The Louisiana Department of Agriculture and Forestry is managed by an elected commissioner. In addition to the administrative division, legal counsel, and public

relations office, the commissioner oversees a department with six programmatic divisions, each having an Assistant Commissioner. It has both regulatory and development functions.

The Office of Agricultural and Environmental Sciences is charged with ensuring environmentally safe, quality ingredients for food production. Personnel randomly inspect, sample and analyze farm and forestry input products. Programs include:

- Agricultural Chemistry Programs
- Horticulture & Quarantine Programs
- Pesticide & Environmental Programs
- Formosan Termite Initiative
- Seed Programs

The Office of Agro-Consumer Services is responsible for licensing, bonding, grain grading, and inspecting all commercial grain warehouses, grain dealers and cotton merchants doing business in Louisiana; the regulatory authority concerning weights and measures of packages and scales, taxi meters, scanning devices and fuel dispensing; the regulatory authority concerning bonding dairy processors, milk handling, butterfat and volume testing, and stabilization of dairy products in the market place for fair prices. The Divisions set up to accomplish these tasks are:

- Agricultural Commodities Commission
- Weights and Measures Division
- Dairy Division

The Office of Animal Health Services protects the livestock industry from theft and animal diseases through diagnostic, preventative, eradication and other measures. Additionally, the office is responsible for protecting the food chain and public health by ensuring that meat, seafood, poultry, eggs, fruits and vegetables, and their products are properly identified, labeled, inspected, and accurately graded. The Divisions within this office are:

- Livestock Brand Commission
- Livestock Sanitary Board
- Veterinary Medical Diagnostic Laboratory
- Meat Inspection - Grading and Certification
- Poultry and Eggs / Fruits and Vegetables Grading and Inspection

The Office of Forestry is mandated to protect, conserve, and replenish the natural resources of the state. The primary responsibilities of the office are to: suppress timberland wildfires, promote sound forest management practices, disseminate information, facilitate educational programs, produce reforestation seedlings, enforce

timber-related laws, investigate timber theft, and assist community urban forestry programs. The Office of Forestry meets its mandate and implements programs through five divisions:

- Forest Protection
- Forest Management
- Information, Education and Urban Forestry
- Reforestation
- Forestry Enforcement.

The Office of Soil and Water Conservation is charged with protecting and conserving the state's soil and water resources. The Office is authorized to establish soil and water conservation programs for the purpose of working with landowners and governmental entities in planning and implementing soil and water conservation measures. Many of the Office's activities are implemented with the assistance of the conservation districts and USDA's Natural Resources Conservation Service (NRCS). The only program is the soil and water conservation district program, providing technical assistance to landowners implementing soil and water conservation techniques.

The Office of Marketing promotes the development and growth of markets for Louisiana food and agricultural products. Programs include:

- Market Development
- Market News
- Special Events/Dairy Promotions
- Publishing a Product/Services Directory
- Market Bulletin
- Trade Directories

## **Mississippi**

Mississippi's agriculture department has a larger role in government than most. Called the Department of Agriculture and Commerce, it has both a market development function, and a regulatory function. This department is an almost totally regulatory agency, with currently about 280-300 staff. Market promotion is secondary, with only about 5 or 6 staff.

It is funded by "General" and "Special" funds, with an annual budget of around 11 million dollars, \$6 million of which comes from state legislative funds and about \$5 million from Federal government grants and inspection fees.

An elected Commissioner of Agriculture directly oversees the Executive Counsel; the Bureau of Plant Industry (administers state and federal laws, regulations and programs that deal with plant pests, pesticides, honeybees, plants, professional plant and pest control services, animal feeds, seed fertilizer, lime and amendments (additives) to soils and plants); the Bureau of Agricultural and Livestock Theft; and the Deputy Commissioner. The Deputy Commissioner in turn oversees the Administrative, Regulatory, and Marketing Services for the Department, as well as the Museum of Agriculture and Forestry.

The Regulatory Services office consists of five divisions that implement a variety of programs:

- The Consumer Protections Division implements programs relating to egg inspection, catfish marketing, swine health, bird dealer licensing, syrup and honey, aquaculture, food sanitation, and weights and measures.
- The Grain Inspection Division serves as the official inspection agency for grain crops. In addition, grain inspection personnel offer official weight supervision at points requesting this service. This office is the responsible agent implementing the United States Grain Standards Act.
- The Meat Inspection Division operates beef, poultry, and pork inspection programs; oversees by-products disposal and processor inspection; and coordinates federal-state cooperation for meat inspection laws and programs.
- The Petroleum Division establishes and ensures compliance of specifications for certain petroleum products and the labeling of petroleum pumps and requires alcohol-blended fuel producers to hold a permit. It also regulates antifreeze and engine coolant, requiring that brands be registered to prevent misbranding.
- The Weights and Measures Division is charged with the responsibility of the calibration and testing of most scales and measurement equipment used in commerce and trade to ensure equity in the market place. In addition, the division provides training to inspectors on laws, rules and regulations administered by the division.

The Marketing Service has a relatively small number of staff and consists of the following programs:

- “Make Mine Mississippi” logo identification program
- Sales and commodity Development
- Market Bulletin
- Public Relations and Events

## **Missouri**

The Missouri Department of Agriculture sets agriculture policy and provides assistance to farmers throughout the state. The department has regulatory functions while its expanded duties include: consumer protection; public health roles; environmental advocacy; agricultural marketing; public relations; and promoting new technology uses for agricultural goods. The Department administers programs relative to its goals to prevent livestock disease, monitor weighing and metering devices, regulate grain storage and inspection, ensure proper labeling and use of farm chemicals, control plant pests, and oversee feed and seed sales. The Department also has a number of opportunities for youth career development in agriculture through scholarships, loans, and career programs. In addition, the Department hosts the annual Missouri State Fair.

The Department, which has an annual budget between 30 and 40 million dollars, is funded primarily by general legislative revenue, but also by federal grants and fees for specific purposes, most of which are “user” fees for inspection-type services.

A Governor's Advisory Council on Agriculture is comprised of leaders in Missouri's agricultural community. Council members are appointed by the governor to advise the director on agricultural policies. The council provides industry perspectives to the governor and the appointed director, who serves as chair of the group. The director oversees the following eight programmatic divisions:

- The Division of Market Development operates the domestic and international marketing program, the AgriMissouri marketing program, a wine and grape program, and an agriculture development program.
- The Division of Animal Health implements regulations and programs to protect Missouri's livestock, poultry and other domestic animals from disease.
- The Division of Grain Inspection and Warehousing performs two functions: grain regulation to ensure the reputability of the grain industry, and grain inspection and weighing to assist farmers in assuring a quality product.
- The Division of Plant Industries operates six programs. The feed and seed program performs sampling and laboratory analysis for labeling accuracy. The pesticide program licenses commercial applications, conducts field inspections, and ensures proper registration of pesticides. The plant pest control program inspects nurseries and greenhouses to prevent the spread of plant insect pests, noxious weeds, and diseases. The forest resources and weed control program inspects treated wood products and assists county weed control boards in control of Johnson grass. The fresh fruit and vegetable inspection program performs shipping, port, and market inspections to ensure quality of fresh produce. Newly implemented, the sustainable agriculture program exists to provide grants to Missouri farmers to help them test, evaluate, and adopt sustainable agriculture practices on their farms with a focus on minimizing mineral and petroleum use.

- The Division of Weights and Measures operates four programs and two laboratories. The scale, milk, and egg program; the petroleum/propane/anhydrous ammonia program; the moisture meter program; and the metrology and petroleum laboratories all function together to fulfill the goal of protecting consumers against inaccurate measuring devices related to the mentioned industries.
- The Missouri State Fair is conducted by the Department and provides a showcase for livestock agricultural products and commercial exhibits.
- The State Milk Board oversees two programs: one providing sanitary inspections of Grade A milk, and the other enforcing manufacturing grade milk regulations at points of manufacture.
- The Agricultural and Small Business Development Authority is a seven-member bipartisan commission tasked with helping new and expanding agricultural producers finance their operations and add value to their products. The authority provides assistance through five programs: the Beginning Farmer Loan Program, Single-Purpose Animal Facilities Loan Guarantee Program, Animal Waste Treatment System Loan Program, Missouri Value-Added Grant Program, Missouri Value-Added Loan Guarantee Program, New Generation Cooperative Incentive Tax Credit Program, and Agricultural Products Utilization Contributor Tax Credit Program

## Oklahoma

A Board of Agriculture oversees the Oklahoma Department. The Governor with the consent of the Oklahoma State Senate appoints the Board's five members. A member, who must have been a farmer/rancher for at least five years, is appointed from each of five agricultural commodity districts to serve a five year term. The President (also designated as the Commissioner of Agriculture) of the State Board of Agriculture is elected by the Board from its membership.

The Department's mission is to promote agriculture. In doing so it forms educational and economic assistance partnerships; encourages value-added processing of Oklahoma's raw agricultural resources; and develops domestic and international markets for the state's commodities and products. The agency enforces regulatory laws and rules pertaining to food safety, water quality, and product or service quality. It is funded along the typical lines of mainly general legislative funds and some federal grants and user fees. The annual budget hovers around approximately \$24 million annually.

The Department has 12 divisions:

- Administrative Services provides financial management, human resources and general services to support Department employees and other agencies.

- Agricultural Laboratory Services tests all samples submitted to assure the quality of agricultural products sold, to protect the environment, to diagnose animal diseases and to assure the correctness of all weights and measures. Includes Animal Health Division, Bureau of Standards Dairy Section, Feed and Fertilizer Section, Pesticide and Water Quality Section, and a Seed Laboratory.
- Animal Industry Services
- Fire Management is coordinated with the Bureau of Indian Affairs. Programs provide wildland fire protection and management on all lands under the jurisdiction of the BIA in Oklahoma.
- Forestry Services is responsible for providing wildfire protection across the state. It also offers landowners information on the management of forests, including erosion control and water quality protection to encourage reforestation and continuation of the forest resource.
- The Legal Division serves as general counsel to Commissioner and staff while facilitating the rule-making process.
- Market Development Services goal is to broaden outlets for agricultural commodities and assist producers, processors, wholesalers, and retailers in marketing these products. It conducts programs such as special promotions, centralizes and distributes tradeshow information, provides a Market News bulletin (in conjunction with USDA), conducts Ag in the classroom programs, and promotes Oklahoma agricultural products through a “Made in Oklahoma” logo and advertising campaign.
- Plant Industry and Consumer Services is one of the regulatory divisions of the Department. It also conducts educational, training, and technical support for farmers. It has regulatory authority in regards to laws dealing with Ag-Lime, apiary, eggs, endangered species, weights and measures, feed, fertilizer, groundwater, nurseries, pesticides, sanitary inspection, organic certification, seed labeling, poultry grading, and soil amendments. It also licenses several kinds of agricultural input applicators.
- A Public Information office exists to relate agricultural concerns to the media and public.
- The Statistics Division works in tandem with the USDA National Statistics Service to make available Oklahoma agricultural statistics.
- The Water Quality Division provides enforcement of laws and rules protecting Oklahoma waters from possible animal waste pollution.
- The Wildlife Services Division manages wildlife to reduce damage to agriculture and property, minimize threats to public health and safety, and help protect natural resources including endangered species. The Oklahoma Department of Agriculture, the USDA/APHIS/Wildlife Services, Oklahoma counties, other State and Federal agencies, city governments and private organizations cooperatively fund the Wildlife Services program.

## Tennessee

Established in 1854 to promote agriculture through fairs and livestock expositions, the Department is currently funded by general legislative funds, federal grants, and user fees. It has a governor–appointed commissioner with no oversight board or commission. Aside from the Commissioner’s Office, a joint federal-state Agricultural Statistics Service, and Administration, the Department is broken into three main programmatic divisions:

The Marketing Services Division, as with other state departments of agriculture, is organized to promote Tennessee products domestically and internationally. A “Pick Tennessee Products” logo and promotional campaign is designed to promote the state’s agricultural sector as a whole. Livestock, fruit, and vegetable grading programs along with a USDA-boosted Market News program are coordinated by this division. The Tennessee Agricultural museum is also maintained and promoted here. Market development activities are categorized into three distinct programs:

- Domestic Marketing within which Agri-tourism, horticultural products, processed foods, fruits and vegetables, equine and livestock are particular areas of focus.
- International Marketing, with efforts aimed at involving Tennessee agricultural producers in world markets through export assistance and information sharing.
- Industry Development and Recruitment efforts focus on developing value-adding companies that utilize the products of family farms across the state.

Another general division of the Department is focused on regulatory services. This division administers inspection programs relating to pesticides & agricultural inputs, plant certification, food & dairy, honeybee population maintenance, laboratory services, petroleum standards, animal health and veterinary service. This division also conducts permitting and licensing of agricultural input applicators. The division also maintains a scorecard for agricultural retail businesses in regards to food storage, facility sanitation and safety. Regulatory programs can be categorized as fitting into one of the following missions:

- Consumer protection and public safety
- Quality assurance for producers

A seven-member panel appointed by the governor with three ex-officio members governs the Forestry Division. It provides guidance on program and policy development regarding forest resource programs. The commission reports to the

commissioner of agriculture and the governor on matters pertaining to forest protection, management, reforestation and related educational activities. Other responsibilities include review of the annual budget and submittal of an annual report overviewing program accomplishments.

The division conducts programs related to fire suppression, water quality protection, insect and disease control, rural forestry assistance, conservation, tree improvement, operating a seedling nursery, utilization and marketing, urban forestry, management of state forests, and landowner education.

- The Landowner Assistance Program works to improve the management of private, non-industrial land. Division foresters help landowners that want to plant trees develop forest management plans and find the resources they need to practice good stewardship.
- The Urban & Community Forestry Program goal is to improve urban environments through planting and management of trees.
- The Forest Health Management Program is responsible for minimizing resource losses associated with the occurrence of forest insects, disease, vertebrate pests, or other sources impacting growth such as flooding and air pollution.
- The Forest Products Utilization and Marketing Program is to monitor changes in the forests, report the output of forest products in the state, and extend the resource through better harvesting and processing. It publishes a forest products bulletin and a directory of forest products industries.
- The Water Quality Management Program investigates water quality complaints relative to timber harvesting operations and helps farmers implement “Best Management Practices” for forestry.
- A “Champion Tree” Program is devoted to conservation and the historical perspective offered by Tennessee’s native trees.
- A Master Logger educational program designed to improve the health and well being of the logging industry and forest resources.

## **Texas**

A very large Department, it was established by the Texas Legislature in 1907. The commissioner of agriculture, who is elected in the general election every four years, heads the agency.

The Texas Department has marketing and regulatory responsibilities and administers more than 50 separate laws. Current duties include promoting Texas agricultural products locally, nationally and internationally; assisting in the development of the agribusiness industry in Texas; regulating the sale, use and disposal of pesticides and

herbicides; controlling destructive plant pests and diseases; and ensuring the accuracy of all weighing or measuring devices (like grocery scales or gas pumps) used in commercial transactions. Its operating budget hovers around \$40 million, with approximately 500 employees. It wears two distinctive hats: marketing and regulatory.

- The Marketing and Promotion program is designed to facilitate an increase in sales of agricultural commodities, from farmers' markets to livestock shipments to Mexico, from helping build new food processing plants to promoting Texas-grown food, fiber, and horticulture products. TDA recently launched the “Go Texan” advertising campaign focusing on in-state produced products grown and processed in Texas.
- The Finance and AgriBusiness Development division assists Texas producers, processors, marketers and entrepreneurs in diversifying agricultural production and expanding or creating value-added agricultural businesses through various finance programs managed by the Texas Agricultural Finance Authority (TAFA): Linked Deposit Program, Young Farmer Loan Guarantee Program, and Farm and Ranch Program.
- Regulatory duties run the gamut from inspecting gasoline pumps and grocery-store scales to ensuring egg quality and compliance of nursery/floral products. TDA's regulatory division consists of these units: Regulatory Programs, Weights & Measures, Commodity Programs and Seed Quality. This division also operates with the USDA the Texas Cooperative Inspection Program, which oversees the quality inspection of fresh fruits, vegetables and nuts.
- Pesticide regulation is conducted through the Department that enforces state and federal laws and regulations. The pesticide division encompasses worker protection, registration, certification and training, endangered species, risk assessment and toxicology, compliance and program development, and laboratory services
- The Producer Services division includes management of six livestock-export pen facilities throughout the state (where livestock are inspected and passed smoothly from Texas sellers to international buyers), Market News, and the Texas Agricultural Statistics Service. Other services include risk management, the farm & ranch safety program, and the Family Land Heritage program.

## **IV. Programmatic options for state departments of agriculture**

### **Promotion, Product Development, and Marketing**

Arkansas' surrounding states have responded to the continuing farm crisis with investments in promotion, product development and marketing – especially for family, non-corporate farmers who are the majority of our farmers and the most at risk. Arkansas has not responded to provide much needed support to our farmers. Other states are making investments in marketing, in value-added processing, in promotion, and in developing and sustaining agriculture and rural communities. To the degree that Arkansas family farmers are able to engage in these activities, they have done it with almost no support. The investments in other states have paid dividends for the state, for rural communities, and for family farmers. Similar investments in Arkansas would likely yield similar results.

According to a three-year study of 13 southern states, conducted by the Kentucky Department of Agriculture, the most formidable obstacle to sustainable agricultural systems is lack of marketing opportunities. The major concern expressed across the Southern region was the need for marketing alternatives that create rural economic development through adding value to raw commodities. In order to halt the loss of family farms, an overwhelming number of state departments of agriculture are devoting more and more resources to aiding their farmers with marketing services and value-adding processes.

There are several ways that states go about aiding their farmers with agricultural marketing, generally involving selling, advertising, and promoting commodities and by providing customer services. According to a Winrock International report released in 1988, forces that are pushing states to increasingly focus on agricultural marketing include: emerging competition from out-of-state markets, increased transportation costs creating increased economic opportunities for local producers, new agricultural industries (such as aquaculture and organic production) creating potential new enterprises, successful farm-production research that creates the need for a concentrated emphasis on developing and promoting consumer markets.

Nearly every state legislature in the country has acted to create or develop the marketing sector of its department of agriculture. The following is a discussion of the variety of program types that have been implemented.

#### **Information Services**

State departments of agriculture facilitate market development by bringing together buyers and sellers in a variety of ways. One way is to provide centralized information. Many states employ a market directory of producers and or consumers of agricultural products and services. This is done in some states by listing cut/dig/pick-your-own farms and other specialty markets.

One of the benefits to farmers and companies involved in the “AgriMissouri” Program is a free listing in the AgriMissouri Buyer’s Guide. This guide is a comprehensive listing of Missouri products. It is distributed to thousands of consumers as well as buyers and sellers in the food industry. Another way states do this is to maintain a list of international importers and exporters by crop or livestock, and by providing on-line directories.

### **Market News**

The USDA’s Agricultural Marketing Service (AMS) and state departments of agriculture collaborate to conduct “Market News” programs. AMS works with states to provide current, unbiased price and sales information to assist in the orderly marketing and distribution of farm commodities. Reports include information on prices, volume, quality, condition, and other market data on farm products in specific markets and marketing areas. Reports cover both domestic and international markets. The data is disseminated in a very timely manner, normally within hours of collection via the Internet and made available through electronic means, in printed reports and bulletins, by telephone recordings and through the news media. Export/import terminals, and country markets closely monitor this information. Programs vary by state, but usually information on price market activity is the focus. Some state departments maintain a clearinghouse of market information

Oklahoma is an example of a typical Market News program. A toll-free number is available and upon calling, farmers and potential buyers are provided with a menu of phone extensions that will take the caller into a wide variety of market topics. Callers are given information on general commodity areas, as well as recent activity at several of the Livestock markets across the state.

### **Grading**

State grading programs facilitate market development by reducing the costs of access to information, by saving time, and reducing misunderstandings and disputes for traders and consumers. They also boost confidence and allow for communication in markets through standards and standardized containers. The New Mexico Department of Agriculture operates fruit and vegetable inspection and grading services at shipping terminals throughout the state. The Department coordinates this work with federal inspection officials to issue certificates at the request of growers.

### **Direct Marketing**

Some states have assisted small farmers by creating direct marketing programs, which eliminate middle-level commercial shippers and brokers. Some states have assisted family farmers in this way by forming grower-run cooperatives to market

their own crops, livestock and value-added products. The Texas department of Agriculture assists farmers in this way. The Hempstead Cooperative, formed in 1984, was successful in helping melon growers market the 2/3 of their crop that was, at the time, going to waste. The melon growers were able to go from selling 1/3 at mostly roadside markets to selling all of it at over 100 grocery stores in the Houston metro area.

Farmer's markets are another way that states have begun to facilitate direct interaction between producers and buyers. Some states organize and promote a central state market, while some provide varying levels of assistance to local city and county markets. The pre-existence of any strong, private fresh produce sectors has a great amount of influence on the establishment of farmer's markets. State coordinated and/or subsidized farmers markets programs have generated as much as \$450 million (Georgia in 1997) in annual revenue. The Maryland Department of Agriculture disburses small start-up funds and liability insurance grants to local farmers markets. This program has been successful in setting up 31 markets with a total return for farmers of \$10-15 million.

### **Promotions**

Promotional campaigns and programs are a way for states to go even further in promoting their agricultural economy. Most state departments have implemented logo products, such as the "Make Mine Mississippi," "Taste of Texas," and the previously mentioned "AgriMissouri" logos. These logos do not promote any commodity grades or brands, but become known as a point of local pride and a sign of quality among consumers. Some states establish quality standards and a seal-of-quality to meet such standards, thereby adding value to suitable produce. Often, these logo or seal of quality programs are undertaken along with an advertising program. Ads are run on billboards, radio, newspapers, magazines, and television to promote the overall state agricultural sector. One of the most successful is the "Jersey Fresh," campaign in New Jersey.

Trade shows, expositions, and fairs provide a forum for local producers to export their products to markets both out-of-state and internationally. Most states promote, and conduct these events through a state department of agriculture. Wisconsin's department held the value-added conference to showcase the variety of diversified product being created. The motto of the exposition was – "Learn how to bring value back to the farm by tapping into emerging value added markets."

### **Diversification and Value Added Processing**

Many states have worked in conjunction with their university's Cooperative Extension and Research Service to encourage the production of new crops as well as diversification of existing ones through value added commodity programs. New crops encourage rural economic growth and development by establishing

broader opportunities and new market niches. Value added production takes a *commodity*, such as timber or apples, and increases its market value by turning it into a *product* such as a chair or apple cider. Value added commodities and programs encouraging them are highly touted by farmers and sustainable economic development experts as a way for farmers to escape highly undesirable contracts with the massive vertical integrating companies. “Let’s face it,” says John Gardner of the North Dakota State Research and Extension Center, “if you want to process mainline commodities, the only way to compete with ADM and Cargill is to make your operation unique.” The Virginia Department of Agriculture conducts its own value-added grant program.

### **Trade and International Marketing**

Family farmers generally lack the capital to generate international business contacts, therefore, many state departments of agriculture have put together international marketing divisions. Staff from these offices travel to foreign countries and develop business contacts and set up trade missions. Programs conducted by these offices vary widely, but usually involve some sort of list of contacts in foreign nations. Florida’s *Agricultural Export Directory* offers free exporting assistance. Louisiana’s department has opened up an office in Mexico to export cattle throughout Latin America. States frequently have trade offices in key countries in which they have developed a foothold from which they further the exporting capability of their local producers. The Texas small farmer cooperative development program has assisted local family farmers coordinate their efforts to sell directly to foreign buyers, eliminating brokers and saving revenue. Arizona’s department recently received federal assistance of \$150,000 in conjunction with its regional trade association (WUSATA) to do international trade shows, organize domestic and international trade missions, field tours, export seminars, and bilingual marketing materials and advertisements to educate foreign buyers.

As states realize the economic benefits of increasing marketing aid to their agricultural sectors and allocate further resources, their competitive advantage increases. Other states that do not comparatively prioritize marketing assistance for small and medium sized farmers will lose comparative advantage and possibly market share. This is why more and more focus is being devoted to these kinds of efforts through state departments of agriculture. Some of these endeavors have been highly successful, while it should be noted that they can also fail badly if not properly funded and carefully implemented. It is important to have a clear and publicly accountable way of ensuring that investment returns warrant continuing specific programs. Programs that don’t work should not be allowed to become cash cows, but should be dropped or modified for something more successful.

## **Financing**

Agricultural financing, traditionally the realm of the federal government, has in the past 20 years become a common service provided by state governmental agencies. Nearly every major agricultural state has some means of disbursing various kinds of financial assistance to producers. A state department of agriculture provides this service in many cases. These programs fund agriculture with the specific understanding that agriculturally based enterprises provide unique benefits to a state's economy; therefore, they warrant special consideration.

State departments of agriculture administer short operating loans, long-term real estate loans, interest rate buy-down programs, and beginning farmer loans through their financial assistance divisions. New farmers in Missouri's Beginning Farmer Program are assisted in receiving Aggie Bonds and Farmer MAC loans – two of the most well known state-administered loan programs. Through special, tax-exempt Private Activity Bonds, states provide capital for agricultural loans to help beginning farmers. These programs provide a method of financial assistance for which neither the state or federal governments assume any risk. Private banks are able to make reduced interest loans due to the issuance of tax exempt bonds. Tax savings are passed on to farmers in the form of lower interest rates. Programs such as these exist in many states.

## **Communications**

One of the most important functions a department performs is the often-overlooked function of information distribution. The following channels are just some of the ways that communication on a variety of agricultural topics with farmers, farm organizations, government officials and agencies, businesses, and the general public is comprehensively managed. Some of the communication services provided by a modern department include: grant information, public relations, website development, news releases, newsletters, brochures, rulebooks, directories, educational programs on forestry practices, pesticides handling, animal health, nutrition, and farm safety; annual reports on the state of agriculture, and policy recommendations.

## **Other**

States surrounding Arkansas and across the nation also have model programs for: Farm Advocacy; Community Development; Innovation; and On-Farm Programs.

## V. Potential models for Arkansas

It is easy to agree that something should be done to help agriculture in Arkansas. It's much harder to agree on what, specifically, should be done.

In discussions with farmers around Arkansas, and with policy experts from around the country, we identified some of the core needs to be addressed under any proposal:

1. Expanding opportunities and services to strengthen Arkansas farmers.
2. Providing genuine solutions to the systemic challenges that threaten the sustainability of family agriculture and rural communities.
3. Accountability to all farmers and the public.
4. Simplifying the current complex bureaucracy of independent agencies into a more comprehensive, efficient and user friendly entity.
5. Creating a unified voice and presence for Arkansas agriculture that represents all agricultural interests and can attract outside resources to support Arkansas agriculture.

Three solutions considered are:

### 1] Creating a state agricultural marketing program.

#### **The pros:**

- This approach solves one of the most obvious economic needs of many Arkansas farmers. An agricultural marketing program could create many new economic opportunities for Arkansas farmers.
- A marketing program is likely to be politically possible since it does not challenge any existing powers or interests.

#### **The cons:**

- This solves only one of many challenges facing Arkansas farmers, leaving many unaddressed. For example, a marketing program would not provide the kind of coordinated vision needed for proactive leadership on agricultural policy.
- An agricultural marketing program would not create a voice for Arkansas agriculture at the federal or international levels, and would not be able to attract federal funding that Arkansas currently misses.
- This type of narrow approach is much more susceptible to being dominated by large industry special interests. Family farmers do not have the resources to advocate for themselves before the many agencies currently dealing with agriculture. Only the largest interests have the resources to maintain this kind of voice.
- Arkansas agriculture is already too bureaucratic with our large collection of small agencies. This method goes the wrong direction, adding yet another layer of bureaucracy rather than simplifying it.

## **2] An Agriculture Ombudsman or Czar who is an umbrella over existing agencies.**

### **The Pros:**

- This position, if empowered to a sufficient degree, could act as a bully pulpit to analyze needed agricultural reforms and advocate for them, providing Arkansas much needed leadership and vision, without disturbing the current structure of agencies.

### **The Cons:**

- A czar again only solves one of many challenges facing Arkansas farmers and leaves many unaddressed. It would not create marketing or development opportunities and would be constrained by existing programs.
- A single ombudsman would have difficulty maintaining enough power to withstand the pressures against change that are found in many agencies and sectors of the market. The only conceivable way this position would have the power necessary to accomplish change is if it were an elected office and given a substantial budget.
- This model is too dependent on the personality of one individual and not enough on a team approach to solving problems. This single person would again be more susceptible to being dominated by large industry special interests.
- An agricultural czar adds another layer of bureaucracy and cost rather than simplifying the current bureaucratic maze of agencies.

## **3] An Arkansas Department of Agricultural, or similar agency**

### **The Pros:**

- This approach provides an opportunity to address the multiple challenges and opportunities facing Arkansas agriculture with a holistic and sustainable view, linking all phases under one structure. Marketing, soil conservation, animal health, innovation, and needed services would all be linked under one roof instead of disconnected and spread out.
- It's more simple than the current bureaucracy. One department is more simple and cost effective than 3, or 5, or 10 separate agencies. Efficiencies will be gained by eliminating duplication and unnecessary layers of bureaucracy. For example: the new structure would have one commission and one director instead of 5 or 6. Basic services like accounting and some types of legal could be combined.
- A properly structured commission would be more accountable to grassroots farmers and citizens. Farmers needing a service or policy change would only have to negotiate one department structure, and watch the decisions of one citizen commission, rather than having to

track a web of complicated agency and commission decisions and structures.

- It makes us consistent with 48 of the other states in the US, making it easier for us to attract Federal dollars and private investors.
- It would create a structure to handle programs currently under USDA which are likely to “devolve” to the states in coming years. With no structure in place, Arkansas may lose out on even more farm programs.

**The Cons:**

- This approach has the potential to become too big, leaving smaller programs and farmers behind. It would need a highly empowered and accountable commission and a strong customer service division geared towards smaller, minority and niche farmers.
- This model is less politically feasible because it challenges the power of several existing agencies and the narrow interests they serve.
- Folding only existing agencies under one structure still leaves many needs unmet, like marketing and a farm ombudsman. The new structure would need to add additional divisions to account for needs and bring it into line with what other states provide.
- Needed new programs will require funding, although that funding may be found in savings from consolidating other agencies. The funding scenario for creating such an agency will be complicated.

**Recommendation:**

The farmers and policy experts the Panel has consulted with in this project, as well as a policy report conducted by WinRock International in 1988, recommend that Arkansas needs a means of developing comprehensive agricultural policy. We felt it important that the model serve as a beginning for discussions, and is not meant as the end-all, be-all answer to Arkansas agricultural needs.

A possible model might look like:

**An Arkansas Office of Agricultural Services and Farm Sustainability**

**Goals:**

- Expand programs, services, marketing and economic development opportunities for Arkansas farmers and rural communities, similar to surrounding states if not better.
- Create a central hub for Arkansas agriculture that is more efficient, proactive, accountable and user friendly – as well as attract new federal and private monies to support Arkansas agriculture.

- Create a voice for all Arkansas farmers at the local, state, federal and international level that can accept delegated Federal agriculture programs as they devolve to the states.
- Develop sustainable agricultural and development programs for farmers and rural communities.
- Creates an accountable, user friendly and efficient mechanism for farmers and consumers to get services and support, and information about Arkansas agriculture.

**Structure:**

(See Chart attached at end of report)

- **Commission** –A governor appointed board of 11 general citizens with oversight authority over the Office of Agricultural Services and Farm Sustainability. When technical expertise is needed beyond possible staff expertise, advisory committees may be created at the discretion of the Commission. Many Arkansas agencies have similar commission structures.
- **Director** – A position serving at the Governor’s discretion with responsibilities including: implementing decisions of the Commission, fiscal and management oversight for the office, developing proposed changes in structure and/or programs for the Commission, and advocating with the Commission’s approval to the governor and general assembly. An advocate and promoter of Arkansas agriculture at local, state, federal and international levels.
- **Departments** – Several existing state agencies are folded under this structure as departments, but their programs are unchanged. The commissions of those agencies are eliminated and replaced with a single Commission. Current directors of agencies that are folded into the new structure would simply become division directors serving under the overall Office Director. There are two basic types of department in the Office: Agricultural Development, and Farm Services.

Agricultural Development:

**Marketing** – Expand marketing opportunities and information. Some programs could be assumed from the Arkansas Economic Development Department and expanded.

**Rural Development** – The Arkansas Rural Development Commission could be folded into this department, with essentially the same programs + a community planning and sustainable rural community program.

**Agricultural Loans** – Facilitate federal and private loan and grant programs, including Aggie bonds, Farmer-Mac, disaster relief, etc. Facilitate new farm development. Some

programs could be assumed from the Arkansas Development and Finance Authority.

**Innovation** – Demonstration projects, help farm organizations seek federal and non-profit R & D monies. This department would be a new creation.

Farm Services:

**Agricultural Ombudsman** – Act as a federal liaison for Arkansas, as well as provide customer service, mediation, counseling, and advocacy. This department would be a new creation.

**Livestock and Poultry** – The current Livestock and Poultry Commission could be folded into this department with the same programs.

**Plant Board** – The current Plant Board could be folded into this department with the same programs.

**Aquaculture** – Some programs in this department could come from the Arkansas Development and Finance Authority.

**Soil and Water** – The current Soil and Water Commission could be folded into this department with the same programs.

- Funding – Funding for the new Office would come from current programs and agencies the Office replaces. Marketing funds could be pulled from Agricultural development programs in the Arkansas Economic Development Department. Funds will likely become available from eliminating duplication in existing agencies and commissions; and new monies will become available by making Arkansas eligible for funding only available to state Departments of agriculture from the Federal government and private sector. Further study is needed to determine an exact funding formula.
  
- Some notes –
  - In the proposed structure, we felt it important to keep the Office separate from, but closely complimentary to the Division of Agriculture in the University of Arkansas.
  - We opted to leave check-off funds outside the proposed structure as those funds are federally administered for trade associations and best belong within their current structures.
  - This model folds existing regulatory bodies like Livestock and Poultry and the Plant Board under one structure, but their programs remain unchanged and there are no new regulations proposed.
  - We did not propose moving the Forestry Commission into the new structure. Some states incorporate their forestry commissions into their departments of agriculture, others leave it as an independent agency. In Arkansas, it makes more sense for Forestry to remain independent because it is unique enough from our other agricultural sectors.

## VI. Conclusion

Arkansas' farm sector is currently represented by a myriad of independent agencies, boards, and commissions which are under no obligation to collaborate or communicate at all with each other. This is contrary to practically every other state in the nation. Given the crises many Arkansas farmers are facing, many Arkansans are looking for ways to improve our agricultural sector in an efficient manner – especially for family farms. One area where Arkansas lags behind our neighboring states is in our ability to promote rural economic sustainability and proactively plan for a strong agricultural sector instead of *reacting* to existing problems and crises as they spring up.

Unfortunately this is not possible due to key structural deficiencies:

- no ability to develop comprehensive agriculture policy;
- no means to facilitate communication between existing agriculture-related agencies;
- no representation at the cabinet level, state legislature, Federal Congress, and to consumers and investors; and
- no state clearinghouse of agricultural information.

The bottom line is that Arkansas loses money and misses opportunities that could strengthen our farmers and rural communities because we do not have a coordinated, efficient and accountable approach to agriculture. Every other state in the US meets that need with a department of agriculture or very similarly structured agency.

The challenges facing Arkansas farmers are so diverse and deep that there is not a piecemeal approach that is likely to yield the kinds of support and opportunities for farmers that other states have been able to achieve. Large family rice farmers in the delta, small niche farmers, African-American and other minority farmers, poultry and other contract farmers, organic and sustainable growers, cattle and dairymen, fruit and vegetable farmers – essentially every sector of the Arkansas agriculture economy is under tremendous pressure. Other state's are responding with innovative investments in their agricultural sectors. An entity similar to a state department of agriculture in Arkansas, if created carefully and structured with genuine citizen accountability, would have the vision and authority to address the needs of our farmers and help create opportunities that will raise all boats in the agricultural sector.

## **Acknowledgements**

Much of the information in this report came from conversations with farmers in Arkansas, and with agricultural policy experts around the country – and from four main written sources:

Gunderson, R.O. & Ospina, E. 1986. *The structure of Arkansas agriculture: A taxonomy*. Winrock International Institute for Agricultural Development.

Minnesota Department of Agriculture. 2001-2001. *Biennial report to the legislature*.

Office for Environmental Outreach, Kentucky Department of Agriculture. 1997. *Kentucky farms and markets: emerging policy opportunities*.

Ospina, E. & Sims, C.S. March 1988. *The role of state government in agriculture*. Winrock International Institute for Agricultural Development.

Arkansas Public Policy Panel. February 1999. *Changes in Arkansas agriculture*.

Our special thanks to friends at the Arkansas Legislature, Arkansas Land and Farm Development Corporation, Arkansas Delta Council, Pathways Community Development Corporation, Kerr Center, Center for Rural Affairs, National Center for Appropriate Technology, University of Arkansas, University of Arkansas at Pine Bluff, and Winrock International. Also thanks to agency staff people within: the Livestock and Poultry Commission, Plant Board, Forestry Commission, Soil and Water Conservation Commission, Rural Development Agency, Economic Development Commission, Development Finance Authority, Commodity Checkoff Programs, and USDA.

## **Appendix:**

- A] Proposed Arkansas Office of Agricultural Services and Farm Sustainability organization chart**
- B] Organizational charts from other states**