

State Brand Board

Minutes of the Meeting

August 25, 2009

The South Dakota State Brand Board met on August 25, 2009 at the State Brand Board office in Pierre, SD. Chairman Kimball called the meeting to order at 10:30 a.m. Members present were Mark Kimball, Wanda Blair, Bart Blum, Tom Conger and Curt Mortenson. Other present were Larry Stearns, Shorty Zilverberg, Wray Shouldis, Karen Webber-Boyer, Jim Murphy, Sarah Jorgenson and Bob Mercer.

Blair moved that the agenda be adopted. Conger seconded the motion which passed.

Blair moved and Blum the motion that the minutes for the July 22, 2009 meeting be approved. Motion carried.

Director's Report: Stearns reported that in July 2009, there were 66 applications, 15 approved applications, 19 new brands, 27 transfers and 5 books sold.

Included in the meeting packet were:

1. The July 2009 reports of expenses, revenues and cash balances for the Brand Board.
2. Proposed 2011 Budget
3. Investigator's Report
4. Brand Inspection Report
5. Transportation Permit alternatives.

The scanning of the 4 oldest years of livestock market tallies by ERC is coming along well with over 95,000 done. We are to start scanning tallies in house soon.

Investigator Report: Zilverberg reported that in July, 2009, there were 15 total cases reported. Of these, there were no stolen cases, 4 were missing cases, no estray cases, 6 violation cases, and 5 complaint/info cases. Nine cases are still active. No livestock were reported stolen and 67 were missing. Two cases were reported by office personnel, five were reported by brand inspectors, none by witnesses, four by victims, and four by other agencies. He reported that there was 1 head recovered by the owner. Zilverberg that in last month's report that 66 head of the missing 67 head of livestock reported stolen were goats. Mortenson asked if there was any pattern to the missing and stolen livestock. Zilverberg said that they were pretty well disbursed throughout the state. He reported that the suspect in the Watertown Livestock case has been arrested and indicted by the grand jury. The cattle have been recovered and sold the trial is scheduled for September.

Brand Inspection Report: Shouldis reported that for July 2009, there were 50,546 head inspected. This consisted of 23,006 inspected at markets, 27,220 locally inspected and 320 inspected at locker plants. There were 921 head held for proof of ownership. This is 13,000 more than the same period last year. Shouldis said that there are more yearlings in the country than last year. There were 12 new holds that came into the office in July 2009 consisting of 9 cows, 2 calves and 1 bull for \$5,952.85. There were two holds paid out consisting of 2 cows for \$1,337.55. In July 2009, 40 strays were returned: 3 cows, 2 calves, 1 steer, 31 heifers and 3 bulls. A discussion of next year's prospective numbers was held. Variations suggested would be due to spring storms, heifer retention, poor breed back, and amount of pasture grass.

Conger apologized for missing the brand inspector training in Hot Springs and asked about the effectiveness of the training and where we are going in the future with respect to training sessions. Blum suggested that those not attending this year be urged to attend next year.

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Financial Report: Stearns presented the July financial report for brand inspection and the Brand Board as a whole. Revenue and expenses for July 2009 were much higher because of higher payroll compared with last year but was offset by increased revenue as the board assumed brand inspection duties on July 1, 2008. At that time, the payroll and revenues were not realized until well into the month of July. Conger asked if it would be necessary to track part-time and local inspector payroll differently. Stearns explained that part-time inspectors' payroll is higher because we use the sale barns as a training facility for new local inspectors. He also explained the comparison of expenses for the last year of operation by the contractor. He then explained the proposed revenue for 2011 and the increased revenue because of brand registration in FY2010. He also explained the proposed increases in expenses for FY2011 due to brand renewal costs for postage, printing, and temporary staff. Brand book printing and print quality were further discussed. Conger moved the proposed FY2011 budget be approved. Blum seconded the motion. In discussion, Blair asked about the timing of the fiscal year. The motion carried.

Conger said that the error rate in the Brand Book has been high in the past and the director should research where the errors were made and try to alleviate those in this renewal cycle. He also suggested that public education start now to update addresses. Blair also suggested that we utilize the organizations in the state as an avenue for public information in their newsletters and websites. The director said we will take all of these suggestions into account for public education. A discussion followed on brand renewals, renewal rates, address changes and possible legislation.

Open Comment: Jim Murphy asked how many brands were dropped the last time brand renewal rates were raised. Zilverberg thought that there were 28,000 brands prior to the last increase in renewal fees. There are 26,000 brands currently. Blum asked if we could put a question on the brand renewal form asking if the brand was still in use. Conger thought it would be prudent to research the quality of brand books published by different companies following the renewal and before printing the new brand books.

Meeting recessed for lunch at 11:50 am and reconvened at 1:00 pm.

Harris Contested Brand: This hearing was tabled at the last meeting because of improper notification. Mortenson moved that Mr. Young's brand be cancelled. The motion was seconded by Blair. Discussion followed about the brands, locations and rebranding the cattle. Motion carried by roll call vote: Blair, yes; Blum, yes; Conger, yes; Mortenson, yes; Kimball, yes. The director is to send a letter to notify Mr. Young about the cancellation of his brand.

Hold Hearing #3599: Mortenson moved and Conger seconded the motion to escheat \$364.00 to the Livestock Ownership Theft and Prevention Fund. The motion carried.

Hold Hearing #BB001: Mortenson moved to send the Montana brand owner a notice. Blair seconded the motion which passed. Review at the next meeting.

Hold Hearing #BB002: This hold was deferred to executive session and later tabled until the next meeting.

Hold Hearing #BB012: Conger moved and Blair seconded the motion to escheat \$155.61 to the Livestock Ownership Theft and Prevention Fund. The motion carried.

Transportation Rule: The director said that these are the same proposals as presented the previous meeting with the incorporated changes asked for by the board. The alternatives were discussed and Mortenson and Kimball suggested getting some input from the individuals that could be using the permit.

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The discussion will continue next meeting. Shouldis also talked about devising a lifetime permit for bucking bulls. Deering will be directed to look at the bucking bull proposal and possibly lifetime permits on breeding bulls.

Other proposals: Shouldis asked the Board to look into the possibility of allowing licensed and bonded order buyers in SD to be able to transfer cattle purchased for a buyer, yet to be named, to transfer ownership using a stamp and signing on the back of the livestock market clearance made out to the licensed buyer. This was made at the request of the licensed and bonded livestock order buyers. Conger said that any move should include the Animal Industry Board so they can be in step with what we do. Restrictions may include: 100% of livestock on the clearance need to be transferred; cattle cannot be co-mingled; animals will not have left the livestock market. In Nebraska, buyers are given this ability. Different scenarios for the use and possible abuse of this privilege were discussed.

Shipper's Permits: The director asked about curtailing the use of shipper's permits for sending livestock to an open market. North Dakota and Nebraska both allow producers to go to SD open markets. This topic will be discussed further at a later meeting.

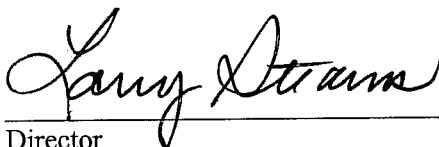
Conger moved and Blair seconded the motion to go into executive session at 2:30 pm. Motion carried. Conger moved and Blair seconded the motion to come out of executive session at 3:40. Motion carried.

The next meeting date was set for Wednesday, October 7, 2009 at 10:30 am.

Conger moved and Blum seconded the motion to adjourn the meeting. Meeting was adjourned at 3:55 pm.

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 10-07-09.