

**State Brand Board
Minutes of the Meeting
November 18, 2009**

The South Dakota State Brand Board met on November 18, 2009 at the State Brand Board office in Pierre, SD. Vice-Chairman Mortenson called the meeting to order at 11:00 a.m. Members present were Wanda Blair, and Tom Conger. Mark Kimball and Bart Blum were not present. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Karen Webber-Boyer, Jim Murphy, Kenny Fox, Jodie Hickman and Blair Dunn.

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

Blair moved and Conger seconded the motion that the minutes for the October 7, 2009 meeting be approved. Motion carried.

Director's Report: Stearns reported that in October, 2009, there were 38 applications, 10 approved applications, 31 new brands, 61 transfers and 3 brand books sold. In November, to date, there have been 27 applications, 6 approved applications, 15 new brands, 31 transfers and 1 brand book sold.

Included in the meeting packet were:

1. The October 2009 reports of expenses, revenues and cash balances for the Brand Board.
2. Investigator's Report.
3. Brand Inspection Report.
4. Proposed Transportation Permit
5. Legislative proposals.
6. Duplicate inspection request forms.

The director announced that Shad Stromer was hired as the new criminal investigator. Tee Ridley was hired as full-time inspector at St. Onge Livestock. We have scanned nearly 40,000 talleys to date in the office. An analysis of the renewal notices was conducted and determined we will be sending renewal notification forms to 16,000 addresses. By sorting these, we can save approximately \$4,000 in postage.

Investigators Report: As Zilverberg was at a LEC conference, Stearns reported that in October, 2009, there were 20 total cases reported. Of these, there were no stolen cases, 10 were missing cases, 1 stray case, no violation cases, and 9 complaint/info cases. Sixteen cases are still active. No livestock were reported stolen and 69 head missing with one stray case. Two cases were reported by office personnel, five were reported by brand inspectors, three by a witness, six by victims, and four by other agencies. He reported that there was 1 head recovered by brand inspection.

Chief Brand Inspector's Report: Shouldis reported that for October 2009, there were 253,033 head inspected. They consisted of 177,846 inspected at markets, 74,916 locally inspected and 271 inspected at locker plants. There were 2,582 head held for proof of ownership. This is 30,000 fewer livestock inspected than the same period last year. There were 6 new holds that came into the office in October 2009 consisting of 2 cows, 1 heifer and 3 steers for \$4,040.25. There were five holds paid out consisting of 3 cows for \$1,447.67 and 1 steer for 644.66 and 1 horse for \$6.89. In October, 2009, 53 strays were returned: 8 cows, 8 calves, 12 steers, 25 heifers and no bulls. Mortenson asked about the unusually high number of holds in October. Shouldis said that there is no one reason for the increase. He also added that numbers sold at livestock markets were down in October because of weather. Conger suggested that the number of holds could be analyzed to see if more or less were being cleared at the sales barn.

State Brand Board
Minutes of the Meeting
November 18, 2009

Financial Report: Stearns reported on the financial condition of the Brand Board. Blair asked how often the state reports are generated. Stearns said that they are generated monthly usually by the third of the month. Mortenson asked if the interest payment received this year is more or less than usual. The director stated that this it was lower than last year's interest payment but that he had been informed that the next year's interest payment would be even lower because of the state of the economy.

Hearing for Hold BB013: The hearing was held to establish ownership of one estray black cow sold at St. Onge Livestock for \$502.39. There was no registered brand on the cow and no one came forth to claim her. Ownership could not be established. Conger moved and Blair seconded the motion to escheat the funds to the Theft and Prevention Fund. The motion carried on a roll call vote with Conger voting yes, Blair, yes; and Mortenson, yes.

Hearing for Hold BB015: The hearing was held to establish ownership of an estray black cow with no bangs tag or brand registered in South Dakota or Montana. She sold in Ft Pierre in September 2008 for \$619.40. Ownership could not be established. Blair moved and Conger seconded the motion to escheat the funds to the Theft and Prevention Fund. The motion carried on a roll call vote with Conger voting yes; Blair, yes; and Mortenson, yes.

Hearing for Hold BB016: The hearing was held to establish ownership of an estray black cow with an unbranded black heifer calf sold at St. Onge Livestock for \$946.92. The brand was not registered in South Dakota or Wyoming. She had a Wyoming bangs tag but there was no record available. Ownership could not be established. Blair moved to escheat the funds to the Theft and Prevention Fund. Conger seconded the motion which carried on a roll call vote with Conger voting yes; Blair, yes; and Mortenson, yes.

A discussion was held on length of retention of records and if they are searchable.

Open Comment: Murphy asked about the scanned tallys and ability to determine if a group of cattle were inspected. Stearns explained how the process works and availability of information. Conger added that when the scanning process is completed, the information will be available. Fox asked if a financial report is available.

The meeting recessed for lunch at 12:00 pm and reconvened at 1:00 pm.

Duplicate Form: Stearns explained the request form for a duplicate local inspection certificate. This was tabled at the last meeting to prepare a draft of the final document and determine if it should be used for market clearances. Market clearances are not available in the office and as such, this form will not be used for these forms. Conger moved to approve both pages of this form with the word "inspected" substituted for "purchased" on the first page. Blair seconded the motion. The motion carried on roll call vote with Conger voting yes; Blair, yes; and Mortenson, yes.

Proposed Legislation

Administrative fines: This bill will allow the Brand Board to impose administrative fines not to exceed \$5,000 for violation of brand laws. This bill would allow the Board to impose fines to recover costs incurred in brand law enforcement that otherwise could not be recovered. Imposition of addition fines would enhance the ability to enforce brand laws. Conger said that this law would work hand in hand with the law which lowered penalties for leaving the brand area without an inspection. Mortenson added that use of this bill would be for chronic offenders that don't mind paying the small fine levied for the offense.

State Brand Board
Minutes of the Meeting
November 18, 2009

Conger and Blair added that any decision made in a hearing could be appealed to circuit court. The final decision on this bill will be at the December 16 conference call meeting.

Shipper's permit: This proposed bill would allow producers to use a shipper's permit to transport livestock out of the brand inspection area to an instate open market to be inspected before going onto a destination such as a livestock market or feedlot out of the brand inspection area. It was added that the producer is responsible for making arrangements for the inspection and with the instate open market. The final decision would be made at the December 16 conference call.

Horse Inspection: This proposed bill will do away with horse brand inspection. Mortenson said that he appreciated the heads up on the possible HSUS animal abuse legislation and on how it may affect this bill. This bill also will be decided in the conference call. A discussion on horse slaughter followed.

Transportation Permit: After a brief discussion, Conger moved and Blair seconded the motion to take the concept to a rules hearing in the future. The motion carried on a roll call vote with Conger voting yes, Blair, yes; and Mortenson, yes.

Licensed-bonded Order Buyers Request: This proposal brought forward at the request of the Licensed and Bonded Order Buyers Association would give a licensed and bonded order buyer the ability to transfer cattle that they have purchased at a sales barn to a new buyer by signing the back of the market clearance. This was tabled until a future meeting when the proposal could be presented in the proper format for a proposed rule hearing.


Conger moved and Blair seconded the motion to go into executive session to discuss personnel matters at 2:25 pm. The meeting came out of executive session at 3:45 pm. Blair moved that meeting be adjourned at that time. Conger seconded the motion which carried.

Respectfully submitted,

Larry Stearns



Director



Vice President

These minutes were filed for the record on 1-27-10.