

State Brand Board
Minutes of the Meeting
July 28, 2010

The South Dakota State Brand Board met on July 28, 2010 at the State Brand Board office in Pierre, SD. Chairman Mark Kimball called the meeting to order at 10:30 a.m. Members present were Wanda Blair, Mark Kimball, Bart Blum and Curt Mortenson. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Shorty Zilverberg, Shad Stromer, Karen Webber-Boyer, Ken Halligan and Jim Murphy.

Kimball asked to add the administrative rules to the agenda. Blair moved that the agenda be adopted as amended. Blum seconded the motion which passed.

Blair moved and Blum seconded the motion to approve the minutes for the May 27, 2010 meeting. Motion carried. Blair moved and Mortenson seconded the motion to approve the minutes for the June 30, 2010 Conference Call meeting. The motion carried.

Director's Report: Stearns reported that in June, 2010, there were 53 applications, 16 new brands, 56 transfers and 1 brand book sold. For FY2010 there were 779 applications, 267 new brands, 1,420 transfers, 251 re-recorded brands and 54 brand books sold. He reported that the office is caught up on brand application following brand renewals.

Included in the meeting packet were:

1. The June 2010 and FY2010 reports of cash balances, revenues and expenses, for the Brand Board.
2. Director's Report
3. Investigator's Report
4. Brand Inspection Report

The director reported that we have scanned nearly 100,000 tallies in the office. We are getting back into full swing. The bids are in for the 2010 Brand Book and the materials are going the printer this week. An online brand book is in the works. Inspector training went very well and the attendance was very good. He reported that the ILIA Conference in Calgary was very good and that the meeting would be in Cheyenne, WY, next year. Stearns also advised the Board that he would be out of the office in mid August.

Investigators Report: Zilverberg reported that in May, 2010, there were 13 total cases reported. Of these, there were two stolen cases, 3 missing case, 0 estray case, 0 violation cases, and 8 complaint/info cases. Five cases are still active. One head of livestock was reported stolen, 31 head missing with no estray cases. No cases were reported by office personnel, four were reported by brand inspectors, one by a witness, five by victims, and three by other agencies. He reported that there were no missing or stole livestock recovered. For June, 2010, there were nine total cases reported. Of these, there were two stolen cases, two missing cases, one estray case, one violation cases, and three complaint/info cases. Four cases are still active. Twenty-eight head of livestock were reported stolen, 2 head missing with no estray cases. Two cases were reported by office personnel, none were reported by brand inspectors, one by a witness, three by victims, and three by other agencies. He reported that there was one head recovered by the owner and one recovered by brand inspection. For FY2010, there were 176 total cases. Of these, 16 were stolen cases, 44 missing cases, 5 estray cases, 33 violation cases, and 78 complaint/info cases. Thirty-six cases are still active. One hundred thirty head were reported stolen and 366 missing with 3 estrayed cases. Sixty-six head were recovered by the owner, one by investigation and six by brand inspection. Thirty-five cases were reported by office personnel, 44 by brand inspectors, ten by witnesses, 43 by the

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victim and 44 by other agencies.

Zilverberg also reported that Joe Varner, Pierz, MN, who was initially charged with aggravated grand theft, pled no contest and on July 14, 2010 was sentenced to 90 days in jail, a \$5,000 fine, court costs of \$73 and to pay restitution of \$2,140. Scott Lawson, initially sentenced for theft of bulls, violated his probation and was to be sentenced on July 28.

Zilverberg was asked if the strays recovered by inspection and investigation are separate livestock. He said that most were separate but that there could be some cross-over in the count. He also commented that he was involved in the reported loss of livestock by the Summit, SD producer as was the local sheriff.

Chief Brand Inspector's Report: Shouldis reported that for June 2010, we had 43,011 head inspected at livestock markets; 318 in locker plants; 28,998 local inspections for a total of 72,327 head and 5,008 head held for proof of ownership. For FY2010, 1033,001 head were inspected at livestock markets, 3,693 head at locker plants and 479,228 head inspected locally for a total of 1,515,922 head. There were 97,630 head more locally inspected this year than last. There were 66,344 head more inspected overall than in FY2009.

Mortenson asked why there were more holds this year than last. Shouldis said he attributed the larger number to the large numbers of trader cattle going to market this year. He also said that it can also be because of poor branding or a lack of paperwork and that the large number of strays recovered is proof of why inspection is done.

In June 2010, there were no holds received in the brand office. Fifty-five head of stray livestock were returned to owners in June 2010 consisting of 5 cows, 4 calves, 44 steers, 0 heifers, and 2 bulls. For FY2010, seventy-four holds were turned into the office for \$68,939.21. These holds consisted of 136 cows, 8 heifers, 9 calves, 6 steers, 19 bulls, and 15 horses. There are 24 holds pending on 28 head for \$12,079.50 consisting of 13 cows, 3 heifers, 4 calves, 2 steers, 1 bull and 5 horses. There were 12 hold hearings held for 14 head of livestock for \$5,559.04. This consisted of 7 cows, 1 heifer, 1 calf, 1 bull and 4 horses. There were 37 holds paid out in FY2010 on 81 head of livestock for \$51,768.63 consisting of 48 cows, 4 heifers, 4 calves, 4 steers, 17 bulls and 6 horses. For FY2010, 446 head of strays were returned through brand inspection, 119 steers, 117 cows, 140 heifers, 49 calves, 17 bulls and four horses.

ILIA Report: Stearns reported that Shorty Zilverberg, Wray Shouldis and he attended the ILIA conference in Calgary in July 2010. He said that the general theme was livestock traceability, its advantages and disadvantages. Several perspectives were presented on each topic, the US, Canadian and Mexican. During the conference, the costs and benefits of traceability were presented and discussed. He also reported that an Australian representative talked about the successes in their program and what it took to make a successful livestock traceability program work. Shouldis added that all countries are still using brand inspection as a proof of ownership and use livestock traceability to track movements. Zilverberg reported on the feedlot and livestock auction tour. He commented on the cattle working areas and tag reading alleys and equipment used. All attendees talked about the advantages of networking with other states.

Financial Report: Stearns presented the financial report for June 2010 and FY2010. The brand inspection program ended the year with a \$58,104.08 surplus. This was attributed to the additional livestock that were inspected locally. He reported that expenses for the inspection program were also higher for the same reason. The total brand board revenue and expenses were higher because of higher costs for inspection and because of revenues and expenses related to brand renewal.

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Open Comment: There were no comments.

FY2012 Budget: Stearns presented the proposed budget for FY2012 and explained how the budget was prepared. A discussion followed and comparisons with the two previous years were made. Following the lunch break, Blum moved that the Board adopt the proposed 2012 budget. Blair seconded the motion which passed.

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

Hold Hearing BB041: A black cow with a no brand black calf was sold as an estray at Herreid Livestock on July 17, 2009. Mortenson moved and Blum seconded the motion to defer action until more information is gathered. The motion passed.

Hold Hearing BB051: A black steer sold at Presho Livestock on August 6, 2009 carrying a brand not registered in South Dakota. As none of the out of state brand owners have claimed the cow, Blair moved to escheat \$769.31 to the Theft and Prevention Fund. Mortenson seconded the motion which carried.

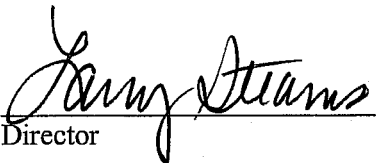
Hold Hearing BB043: A black heifer with a white spot on her forehead was sold as an estray at Philip Livestock on August 7, 2009. The brand was not registered in SD nor surrounding states. As no owner came forth to prove ownership, Blair moved and Blum seconded the motion to escheat \$510.29 to the Theft and Prevention Fund. Motion carried.

Administrative Rules: Deering explained that the Board did not have authority to charge a fee for a permit in the Order Buyer's rule. In the Transportation rule, the Board did not have the authority to charge an inspection fee in addition to the permit fee. The thought is to pursue authority in the next legislative session.

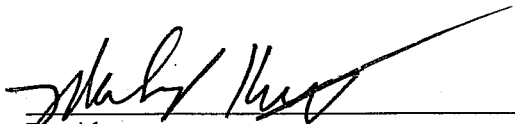
The meeting moved into executive session at 1:30 p.m. The motion was made by Mortenson and seconded by Blum and passed to come out of executive session at 2:25p.m. A meeting date was set for the September 15, 2010 at 10:30 am. The meeting was adjourned at 2:25 p.m.

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 9-15-2010.