

State Brand Board Minutes of the Meeting November 22, 2010

The South Dakota State Brand Board met on November 22, 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, Bart Blum, Tom Conger and Curt Mortenson. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Shorty Zilverberg, Shad Stromer, Karen Webber-Boyer, Jim Murphy, Dennis Rounds, Rob Anderson, Ron Fravel, Doug Paxton, Joel Olivier, Jerry Vogeler and Bryan Gortmaker.

Mortenson move to adopt the agenda. Blair seconded the motion which passed.

Blair moved and Mortenson seconded the motion to approve the minutes for the September 15 and September 29, 2010 conference call meeting. Motion carried.

Conger moved and Mortenson seconded the motion which passed to move into executive session at 10:35 a.m. pursuant to SDCL 1-25-2 (3) consulting with legal counsel. The meeting moved out of executive session at 11:00 a.m.

Director's Report: Stearns reported that in September, 2010, there were 68 brand applications, 27 new brands, 24 transfers, 16 re-recorded brands and 18 brand books sold. For October, 2010 there were 64 applications, 14 new brands, 51 transfers, 93 re-recorded brands and 25 brand book sold. He reported that the office is staying current with the brand applications.

Included in the meeting packet were:

1. The September 2010 and October 2010 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 135,000 tallys in the office. We have scanned all livestock market tallys from 2005 through fall 2009 and are now working on those in 2010. The 2010 Brand Book was delivered to the office on Friday, September 17. Improvements are being made to the online brand book. Stearns and Zilverberg attended the 5-State Brand Conference held in Billings on October 12 – 13. They reported good presentations and a great opportunity to network with brand officials from surrounding states. He also reported that 2 brand inspectors were injured while inspecting livestock last month, but none seriously. The brand network was moved to the state computer system last week. Dodie Schmitz-Garrity has been hired as a part-time office assistant. Her primary duties are scanning and filing tallys. She will also assist as needed in the office. Blair commented that she has heard good comments on the online brand book. Conger suggested that the office phone number be made easier to find on the website.

Investigators Report: Zilverberg reported that in Sept 2010, there were 28 total cases reported. Of these, there were two stolen cases, 5 missing cases, 5 stray case, 13 violation cases, and 3 complaint/info cases. Twelve cases are still active. Fifty head of livestock were reported stolen, 29 head missing with 9 estrays. Cases remaining open include: one stolen case, 3 missing livestock, 3 stray cases, 2 violations and 1 complaint case. Thirteen cases were reported by office personnel, five were reported by brand inspectors, one by witness, three by victims, and six by other agencies. He reported that there were 65 missing or stolen livestock were recovered. For October, 2010, there were 22 total cases reported. Of these, there

State Brand Board Minutes of the Meeting November 22, 2010

were three stolen cases, eleven missing cases, one stray case, three violation cases, and four complaint/info cases. Eighteen cases are still active, twelve missing, stolen or stray cases, two violation and four complaint cases. Twelve head of livestock were reported stolen, 40 head were reported missing with no estrays. Five cases were reported by office personnel, nine were reported by brand inspectors, two by witnesses, four by victims, and two by other agencies. He reported that there were twenty-six head still missing. A copy of the road check news release was available as well as a copy of the Highway Patrol Operation Order for the road checks they conducted in November looking for violators including brand law violators.

Kimball said he was part of a Platte River Bridge road check and commented on how thorough and professionally they were conducted. Blair asked for a report on the carry-over cases from 2009. Conger suggested a letter be sent to the Highway Patrol expressing the gratitude of the board. Mortenson suggested that the release could go out a month earlier next year. Over all the Board was appreciative of the effort.

Chief Brand Inspector's Report: Shouldis reported that for September 2010, we had 56,086 head inspected at livestock markets; 234 in locker plants; 58,935 head inspected locally for a total of 115,255 head and 2,037 head held for proof of ownership. For October, 2010, 78,339 head were inspected at livestock markets, 323 head at locker plants and 78,207 head inspected locally for a total of 156,778 head. There were 1,544 holds. The livestock market inspection and locker plant inspection numbers are now reported in the month following inspection to coincide with the month that the fees are collected.

In September 2010, there were eight holds on 11 head for \$4,390 received in the brand office. Twenty-two head of stray livestock were returned to owners by brand inspection in September 2010 consisting of 5 steers, 4 cows, 5 calves, 4 heifer, 2 bulls and one horse. For October, 2010, one hold was turned into the office for \$73.50. For October 2010, 17 head of strays were returned through brand inspection, 5 steers, 1 cow, 0 heifers, and 11 calves. In Sept-Oct, 4 holds on eight head were paid out for \$4,762. Mortenson asked how the local inspection numbers compared with last year. Stearns answered that they are close to the same as last year.

Financial Report: Stearns presented the financial report for September 2010 and October 2010. Mortenson asked how the money compared with the numbers inspected. The revenues were very comparable while the numbers were slightly less. This was attributed to the change in the method of reporting livestock market numbers and revenue.

Falkenburg Brand Request: Conger reported that Falkenburg runs livestock in Nebraska, Wyoming, and South Dakota and has a SD Grazing Permit. Cattle with the brand in question already run in SD and approval would allow him to brand cattle in SD. Conger moved and Blum seconded the motion to approve this brand. Mortenson moved to amend the motion by adding the words could be issued without right of transfer. Blair seconded this motion. The amendment passed. The motion passed as amended. Voting as follows: Blum, yes; Blair, yes; Conger, yes; Mortenson, yes; Kimball, yes.

Open Comment: Jim Murphy thanked the board for the flowers sent for his son's funeral.

Legislative Proposals: As there was time before the lunch recess, legislative proposals were discussed. Jerry Vogeler asked to address the board on his concerns on behalf of the SD Livestock Marketing Association. Although his board had not adopted a formal position on these, he did have some feedback from LMA members. Concerns on the Shipper's Permit proposal were detailed. Vogeler said they had not yet adopted a position on the Order Buyer's Permit Fee proposal but asked if it was proper to delegate

State Brand Board
Minutes of the Meeting
November 22, 2010

authority to transfer livestock to someone not under board control? Mortenson responded that this proposal was to seek the ability to charge a fee for a permit. The exemption to allow licensed and bonded order buyers is subject to administrative rule. Vogeler said that his board meets on December 30 to discuss a position on the proposed legislation. He also added that the fee for the recreational cattle permit was not an SDLMA issue.

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

Hold Hearing #BB058: Conger moved and Mortenson seconded a motion to table this hold for further information. Motion carried.

Hold Hearing #BB061: The owner has produced proper paperwork to clear the hold.

Hold Hearing #BB087: This is an estray horse with no brand and no owner coming forth. Mortenson move to escheat \$100.39 to the Theft and Prevention Fund. Blum seconded the motion which carried.

Hold Hearing #BB088: This was an estray baby calf left at the livestock market with no brand or anyone claiming ownership. Conger moved and Blair seconded the motion to escheat \$127.35 to the Theft and Prevention Fund. Motion carried.

Legislative Proposals: Following a brief discussion on the proposed legislation, Mortenson moved and Blair seconded the motion not to proceed to the legislature with the proposals at this time. Voting as follows: Blum, yes; Blair, yes; Conger, yes; Mortenson, yes; Kimball, abstained. Motion carried. The individuals and organizations that approached the Board with suggested changes in the brand laws will be contacted to seek local legislators to introduce bills for them.

Country Clearance form for Video Auction Cattle: Stearns and Shouldis explained that this proposed form would be used for video auction cattle weighed through livestock auction markets, livestock sold by feedlots, and bull and horse production sales held at ranches. Following discussion, the proposal was tabled for further study.

County Fair Livestock Shows: Conger suggested that the staff prepare a hand-out to give to competitors at county fair livestock shows and those like the Junior Western Livestock show that would explain brand laws and the need to transfer ownership of show stock to the exhibitor so when these cattle are sold, the check will be made out to the proper party. This is an opportunity to educate the next generation about brand law compliance. A rough draft will be prepared for the next meeting.

Brand Book Evaluation: Kimball, Stearns and Shouldis will put a small group together to evaluate the 2010 Brand Book and create a file for the director to use for the next book.

Uniform Policy for Jackets: Blair moved and Blum seconded the motion to purchase jackets for full-time inspectors and require their wear when the weather is appropriate. Motion carried.

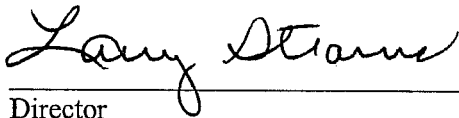
Mortenson moved and Blair seconded the motion which passed to move into executive session at 2:50 p.m. pursuant to SDCL 1-25-2 (1) personnel issues. The meeting moved out of executive session at 4:10 p.m. Conger moved and Blair seconded the motion that the meeting adjourns. The motion passed and the meeting adjourned at 4:10 p.m.

The next meeting was scheduled for January 19, 2011 at 10:30 a.m. CST.

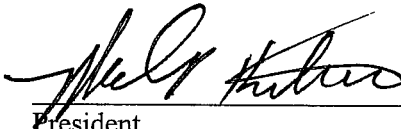
State Brand Board
Minutes of the Meeting
November 22, 2010

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on

1-19-2011