

State Brand Board

Minutes of Meeting December 2, 2008

The Brand Board met on December 2, 2008 at the State Brand Board office in Pierre, SD. Chairman Kimball called the meeting to order at 11:00 a.m. Members present were Mark Kimball, Bart Blum, Tom Conger, and Curt Mortenson. Others present were Harold Deering, Larry Stearns, Shorty Zilverberg, Wray Shouldis, Harry Martinez, Ken and Florence Halligan and Karen Webber.

Conger moved the agenda be adopted as amended. Blum seconded the motion which carried.

Mortenson moved to approve the October 28, 2008 meeting minutes. Conger seconded the motion and it carried.

Director's Report: Stearns reported that in October 2008, there were 90 applications, 40 new brands, 38 transfers and 4 books sold. In November 2008 there were 47 new applications, 24 new brands, 15 transfers and 1 brand book sold. He reported that the October expense, revenues, cash reports, November revenue report and talking points for the legislative proposals were included in the meeting packet. Also included was the proposed Brand Board legislation. He also reported that the Tri-State Livestock Newspaper published the second strayed and stolen reports and that a thank you letter had been sent to them for providing this service. Stearns reported on the 5-State Brand Conference held in Custer in November. He said there was a good turnout and these conferences are valuable for our respective programs. A press release was sent out last week with a program update for the public. The director and investigators will meet with the state retirement board at their meeting on December 3. Conger commented on the meeting with the retirement board representatives in Rapid City last month and felt that a lot of information was clarified in that meeting. Stearns reported that the first worker's comp claim has been filed where an inspector was kicked by a cow and will require knee surgery.

Investigator's Report: Zilverberg reported that in October 2008, there were 17 total cases reported. Of these, 3 were stolen cases, 8 were missing cases, 1 violation case, and 5 complaint/info cases. Seven cases are still active. Twenty-three head of livestock were reported stolen and 11 head reported missing. Two cases were reported by office personnel, one case were reported by brand inspectors, ten by victims, two by witnesses and two by other agencies. The suspect has been arraigned and bound over for trial in the stolen bulls' case. Mortenson asked if there were any other charges. Zilverberg said that would be determined later.

Brand Inspection Report: Shouldis reported that there were 304,050 head inspected in October 2008. Of these, 238,471 were market inspections, 65,364 local inspections, 215 were inspections at locker plants. There were 1,761 holds. This compares to 140,163 head in 2007. The four month total for inspections is 523,625 head compared with 299,722 the previous year and 408,565 in 2006. Shouldis said that Lemmon Livestock reported 11,000 head more sold than the previous year. Mortenson asked if he felt the numbers were going to increase. Mortenson asked if there were any complaints from producers or markets. He also congratulated Shouldis and the other office staff for overseeing a smooth transition in the program and thanked Shouldis for the job that he has done.

Conger said that he had been asked to speak to the Fall River County Commissioners meeting. The Chairman later called and said it was not necessary to come to the meeting.

Brand Inspection Fund: Stearns explained the financials that were provided in the packet. Mortenson commented that we are flying blindfolded for the time being. Stearns reported that we are close to the revenues and expenses from last year. Mortenson asked about the items where we are close to the projected budget. Stearns added that there are several items where we are getting close and should be

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near the end for those expenditures for this year. Conger asked about tracking the inventory for forms, the expenditures for forms and their usage.

Reciprocal Agreement: The reciprocal agreement with Nebraska was discussed. Conger asked if the reciprocal agreement was consistent with the open market agreement approved in the 2008 legislature. Stearns added that the only change in the agreement is where the reference to the former contracting agency is omitted. Deering said he didn't feel that the reciprocal agreement would affect the open market agreement since it was an agreement with only the barn. Mortenson asked about horse inspection in Nebraska. SD horses are inspected in Nebraska. Conger moved that the agreement be approved. Blum seconded the motion and after a short discussion, it carried. The holds are handled the same as they are in SD.

Open Comment: Mortenson asked the Chief Brand Inspector if he had any feel about horse inspection among the inspectors. He said that the inspectors would rather not have it as the paper trail is difficult to follow. Conger commented on a newspaper article on exporting horses for slaughter purposes. Mortenson said that a bill had passed the subcommittee on banning transport of horse exports for human consumption. Martinez commented that there were three horse cases in front of a state's attorney in his area on inspection violations. No explanation on why prosecution has been delayed. Zilverberg explained the fining process by judges and the ramifications on state's attorneys. Conger said that at the 5-State Brand Meeting a discussion was held on stray and neglected horses and that Wyoming has developed a bonding process used in Wyoming to dispose of estrays. Zilverberg explained a process by which a sheriff could sell an stray horse as an abandoned animal.

The meeting was recessed at 12:00 for lunch.

The meeting reconvened at 1:00 pm.

Brand Conflict: The owner of the brand that was a close conflict had not used the brand for over 20 years and the owner has no intention of selling the brand. The risk would be to Paulson and he was willing to stand the risk. Conger moved to reissue the brand. It was seconded by Blum. The motion passed in a roll call vote: Blum, yes; Conger, yes; Mortenson, no; Kimball, yes.

Legislative Proposals:

Authorized Bill of Sale- This allows a change of ownership on 5 head or less with the owner's brand on the animal. This would allow a producer to sell a bull, late in the evening without an inspection. The buyer or buyer's agent would need to have the properly executed bill of sale in his possession. This would allow the buyer to leave the brand area. The discussion about possible fraud and the use of such an instrument was held. Properly executed, this would be a useful instrument. Blum move to take the proposed legislation forward. This was seconded by Conger and passed by roll call vote: Blum, yes; Conger, yes; Mortenson, no; Kimball, yes.

Minimum Inspection Fee- Mortenson said that inspectors need to be paid at least a minimum wage for inspecting small numbers of livestock. In the current environment this could prove to be a hardship and we should wait until we have at least a year of history. No motion was made to go forward with this bill.

Administrative Fines- The bill was defeated last year as the Board sought to gain the ability to levy fines. The Board chose not to go forward with this legislation.

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Branding with an Out of State Brand- This proposal would allow an out of state buyer to apply his out of state brand to the livestock before leaving the livestock market when obtaining a permit from the Brand Board. Mortenson moved and Blum seconded the motion to go forward with this bill. It passed by unanimous roll-call vote.

Shipper's Permit- This proposed bill would allow an individual to obtain a shipper's permit to transport livestock to an open market for the purpose of inspection to go on to a different market or buyer. Mortenson allowed that this would encourage compliance. Conger added that the intent is to provide a place for inspection. Mortenson said that the inspector would have to be contacted first before transporting to an inspection site. Mortenson moved to go forward with the proposed legislation. Blum seconded the motion that passed by unanimous roll-call vote.

Voluntary Horse Inspection- Mortenson moved to adopt the proposed legislation with a \$10.00 maximum fee included. The fee would need to be set in a rules hearing. Conger seconded the motion. Mortenson said the problem with horse inspection is that 80 percent of the horses are unbranded which makes it difficult to inspect. Horse inspection ties up too much of the inspector's time and resources. The fee for inspection, if desired, must be set by rule. The motion passed by unanimous roll-call vote.

Reward for Information- This would increase the reward for information leading to conviction from \$1,000 to 5,000. Zilverberg said that information would be easier to obtain incriminating information. Conger moved to go forward with the legislation. Mortenson seconded the motion which passed by unanimous roll-call vote.

Conger moved that the meeting go into executive session at 2:25 pm to discuss personnel and legal issues.

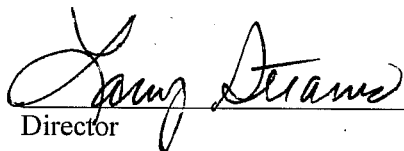
Conger moved and Blum seconded the motion to come out of executive session at 3:15 pm. The motion carried.

The next meeting was set for January 21, 2009. This was later changed to January 20, 2009.

Mortenson moved to adjourn at 3:20 pm. Blum seconded the motion which carried. The meeting was adjourned.

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 1-26-09.