

State Brand Board
Minutes of the Meeting
July 22, 2009

The South Dakota State Brand Board met on July 22, 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, and Curt Mortenson. Other present were Harold Deering, Larry Stearns, Shorty Zilverberg, Karen Webber-Boyer, Jodi Hickman, Kenny Fox, Jim Murphy, Ken Halligan, Jeri Thomas, Drew Johnson, Ed Rybiki and Mike Harris.

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

Blair moved and Mortenson seconded the motion that the minutes for the May 26, 2009 meeting be approved. Motion carried. Blum moved that the minutes for the June 8, 2009 conference call be approved, Blair seconded the motion and it carried.

Kimball congratulated Bart Blum on his selection into the South Dakota Hall of Fame. He also offered congratulations on behalf of the Brand Board to Dr. Dustin Oedekoven on his selection as South Dakota State Veterinarian.

Director's Report: Stearns reported that in June 2009, there were 78 applications, 21 approved applications, 34 new brands, 49 transfers and 10 books sold. For FY 2009, there have been 849 new applications, 292 approved applications, 402 new brands, 406 transfers and 58 brand books sold.

Included in the meeting packet were:

1. The May and June 2009 reports of expenses, revenues and cash balances for the Brand Board for FY2009.
2. Investigator's Report
3. Brand Inspection Report w/history
4. Permit to Brand with an Out of State Brand form and bulletin
5. Transportation permit alternatives.

He also said that the Annual Horse Transportation Permits are working out well at the larger horse camps. John Bickle was selected as the new full-time inspector at St. Onge. Stearns said that neither FSA nor NASS release numbers for death loss from blizzards unless they do a press release. The scanning of the 4 oldest years of livestock market tallys by ERC is coming along well.

The inspector's training program is completed for 2009 with 61 inspectors attending 6 meetings in Newell, Hot Springs, Bison, Isabel, Winner, and Pierre. The 2009 ILIA Convention was held in Park City, UT the previous week. He announced that Chief Investigator, Shorty Zilverberg was elected to the executive committee which follows that he will be ILIA president in 2014. Stearns reported that all states are experiencing some financial problems. He also talked about how other states' renewal procedures compare with ours. He reported that the ILIA is neither for nor against animal ID, but need to be proactive if the need for it arises.

Investigator Report: Zilverberg was testifying before a Grand Jury in Watertown so was unable to give his report in person. Stearns delivered the report in his stead. In May, 2009, there were 14 total cases reported. Of these, 1 was a stolen case, 0 were missing cases, 1 stray case, 5 violation cases,

State Brand Board
Minutes of the Meeting
July 22, 2009

and 7 complaint/info cases. Five cases are still active. One head of livestock was reported stolen and 1 stray. Three cases were reported by office personnel, two were reported by brand inspectors, two by witnesses, three by victims, and four by other agencies. He reported that there was 1 head recovered by the owner and one by investigation. For June 2009, were 13 total cases reported. Of these, 1 was a stolen case, 5 were missing cases, 0 stray case, 2 violation cases, and 5 complaint/info cases. Five cases are still active. Sixty-seven head of livestock were reported stolen and 74 head missing. One case was reported by office personnel, four were reported by brand inspectors, two by witnesses, two by victims, and four by other agencies. There were no reports that any of the stolen or missing livestock have been recovered. Mortenson said that we are concerned about the large numbers of stolen and missing livestock and urged that investigators watch for a pattern.

Zilverberg stated in a written statement that the ILIA convention offers an invaluable tool to be able to meet and know the individuals that we work with at long distances. He also said that one of the most frequent comments made during the investigators' meeting was everyone enjoyed having the ability to gather together to share information on cases that cross state lines.

Brand Inspection Report: Shouldis reported that for June 2009, there were 77,682 head inspected. This consisted of 46,676 inspected at markets, 30,747 locally inspected and 259 inspected at locker plants. There were 1,856 head held for proof of ownership. The 12-month total of 1,449,578 head inspected is slightly less than last year. There were 4 new holds that came into the office in May/June 2009 consisting of 3 cows, 1 calf and 1 horse for \$1,552.27. There were three holds paid out consisting of 1 cow, 1 steer, and 1 horse for \$1,580.35. In FY2009, there were a total of 66 holds received into the office. These holds consisted of 43 cows, 4 heifers, 9 calves, 1 steer, 4 bulls and 21 horses for \$40, 101.31. Thirty-four holds were paid out for the year: 24 cows, 2 heifers, 2 calves, 1 steer, 3 bulls and 10 horses for \$22,780. In May/June 2009, 28 strays were returned: 9 cows, 1 calf, 3 steers, 14 heifers and 1 bull. For the year, there were 335 strays returned through brand inspection: 85 cows, 73 calves, 56 steers, 104 heifers, 14 bulls and 3 horses.

Shouldis then talked about the historical numbers for inspection since 1980. Mortenson thanked the director for preparing the chart as it gives a good insight on the trends. Blair commented on the loss of livestock in 1997 and the economic times and how it affects inspection numbers. Fox asked about posting holds on the internet. He had not been able to find them online. He also asked about advertising them in papers.

Brand Inspection Fund: Stearns reported that for the year, there was \$1,133,809 in revenue and \$1,119,517 in expenses for a surplus of \$14,387 for the brand inspection portion of the program. The entire Brand Board revenue for the year was \$1,221,588 with expenses of \$1,516,781. The registration and investigation portion of the budget is supplemented with the 5-year brand renewal revenue which comes in during this fiscal year. Blum asked how these compared with the previous year. The director will report these in at the next meeting. Mortenson asked about the transfer into the Theft and Prevention Fund from the Stockgrowers. The director explained how the funds were used and also explained the investment council interest revenue. A discussion of FY2010 budget was held. Kimball talked about the quality of brand books and that we should look at a better quality book. The director talked about putting the Brand Book online in the future. He also talked about completing scanning of tallys and how to bring this about by combining the use of a temporary employee for scanning tallys and for working during the brand renewal period. Stearns also suggested a pilot project at one sales barn to create tallys and market clearances electronically at the barn and transmit them to the office server. The proposed FY2011 budget will be approved by the Board at the August meeting. The technology discussion was tabled until later in the meeting.

State Brand Board
Minutes of the Meeting
July 22, 2009

Open Comment: Blum expressed his concern as a horseman, a member of the SDRA, a rancher and taxpayer about the abuse of the horse in Ft. Pierre following the July 4th rodeo. He said it is theft and abuse and people should be prosecuted for commission of this type of crime. Mortenson explained the prosecution process and what may happen as to the course of events. Ken Fox asked about the interest earned by the Brand Board during the year. Mortenson explained that it is out of the hands of the Board and that funds are invested by the state as part of a pool of funds. Ken Halligan had questions on how holds were handled by the Chief Brand Inspector. Shouldis related how he investigated the holds and the use of brand inspectors in the process. Halligan suggested that maybe it would be advantageous to have pictures taken of the animals. Fox suggested that the brands of animals held could be put online.

The meeting recessed for lunch at 12:05 and reconvened at 1:05.

Brand Conflict: Mike Harris feels that MH stacked on the left hip is too close to Melvin Young's M/H brand on the left hip with the way it is being applied. He said that the hip area is too small and the way the brand is being applied that it looks very similar to his MH brand. Mortenson moved that the request be tabled until next meeting to allow notification by registered or certified mail to assure that the notification is received. Blair seconded the motion and it passed. This hearing will be rescheduled for next meeting.

Brand Approval Request: John Cosgrove had the same cattle and horse brand tied together previous to their lapsing in 1990. When he reapplied for the brand, the cattle brand was approved, but the horse brand was not. Mr. Cosgrove reapplied for the horse brand in January 2009 and was denied because of a conflict. He requested that the Board consider approval of the application for the horse brand J inverted J on the right shoulder. Mortenson moved that the denial stand because of existing conflicts. Blair seconded the motion which was approved by voice vote. Blum, yes; Blair, yes; Mortenson, yes; Kimball, yes.

Cattle Transportation Permit: Three alternative proposals were prepared by Deering prior to the meeting dealing with movement of cattle into the brand inspection area and out again. A discussion of scenarios and options followed. Kimball said that this gives us a paper trail of the movement of these rodeo cattle. The board asked that Deering explore language to allow cattle and/or horses to go both ways. Mortenson summarized the three proposals. A. Requires an appearance before the Board. B. Requires a 24-hour notice before moving the cattle. C. Puts a log book mechanism in place with movements sent into the office periodically. Shouldis suggested that the phrase be added "SD registered brand." The use of lifetime permits for bulls was discussed.

Technology: The director continued the discussion on technology improvements. Deering questioned the security of the information. Ed Rybiki of ERC stated that all information collected in this manner was secure. The consensus by the Board was that this is preparing for the future and that it would allow information to be more accessible in case of a disease outbreak or for investigations. Mortenson moved to authorize the purchase of equipment for scanning tallies and hiring a part-time person for scanning and later to assist with renewals. Blair seconded the motion and it carried. Blair moved that we participate in a pilot project to create tallies and market clearances at a sales barn. Blum seconded the motion. Kimball added that this is a step forward in information collection. Motion carried.

Next meeting date was set for August 25, 2009 at 10:30 am.

Blair moved and Blum seconded the motion to adjourn the meeting at 2:45 pm

State Brand Board
Minutes of the Meeting
July 22, 2009

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 8-25-2009.