

State Brand Board
Minutes of the Meeting
October 7, 2009

The South Dakota State Brand Board met on October 7, 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 Tom Conger. Curt Mortenson was not present. Others present were Harold Deering, Larry Stearns, Shorty Zilverberg, Wray Shouldis, Karen Webber-Boyer, Jim Murphy, Ken Halligan and Jeri Thomas.

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

Blair moved and Conger seconded the motion that the minutes for the August 25, 2009 meeting be approved. Motion carried.

Director's Report: Stearns reported that in August 2009, there were 53 applications, 15 approved applications, 46 new brands, 24 transfers and 7 brand books sold. In September 2009, there were 49 applications, 6 approved applications, 22 new brands, 38 transfers and 7 books sold.

Included in the meeting packet were:

1. The August and September 2009 reports of expenses, revenues and cash balances for the Brand Board.
2. Investigator's Report.
3. Brand Inspection Report.
4. Transportation Permit alternatives.
5. Legislative proposals.
6. Thank you from SD Ag in the Classroom.

The director announced that the early September press release on address changes before brand renewal had a very good response. He also announced that the Lindskov hold tabled from last meeting is awaiting information from a Montana ranch and that trailing permits will be reviewed for worthiness this fall as they are renewed. Interviews for the investigator's position will be held on October 13th and 14th. The scanning of tallies in the office is underway. The office and ERC are working on solutions to putting one renewal form per envelope.

Investigators Report: Zilverberg reported that in August, 2009, there were 14 total cases reported. Of these, there were 2 stolen cases, 2 were missing cases, 1 estray case, 4 violation cases, and 5 complaint/info cases. Nine cases are still active. Forty-eight head of livestock were reported stolen and 11 missing with one estray case. Two cases were reported by office personnel, three were reported by brand inspectors, one by a witness, two by victims, and six by other agencies. He reported that there was 1 head recovered by the owner. In September 2009, there were 23 total cases reported. Of these, there were 2 stolen cases, 5 were missing cases, no estray cases, 6 violation cases, and 10 complaint/info cases. Eleven cases are still active. Eleven head of livestock were reported stolen and 28 missing with no estray cases. Eight cases were reported by office personnel, four were reported by brand inspectors, one by a witness, six by victims, and four by other agencies. He reported that there were 12 head recovered by the owner and one by brand inspection. Blair asked if the numbers of missing and stolen livestock are always this high and why so few are recovered. Zilverberg explained that the typically most livestock are reported missing but not reported recovered by the owner when found. He also reported that the Varner trial had been rescheduled for January 2010 and that 3 SD livestock auctions were deemed insolvent by the Grain Inspection, Packers and Stockyards Administration. Conger thanked Shouldis and Zilverberg for the prompt response to a case brought to his attention. He appreciated the effort and any that put the

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Brand Board in a better light.

Chief Brand Inspector's Report: Shouldis reported that for August 2009, there were 76,066 head inspected. They consisted of 54,732 inspected at markets, 21,056 locally inspected and 278 inspected at locker plants. There were 614 head held for proof of ownership. This is 15,000 more livestock inspected than the same period last year. There were 6 new holds that came into the office in August 2009 consisting of 3 cows, 2 calves and 1 heifer for \$3,366.59. There was one hold paid out consisting of 1 cow for \$45.49. In August 2009, 31 strays were returned: 8 cows, 3 calves, 7 steers, 7 heifers and 6 bulls. For September 2009, there were 120,716 head inspected. They consisted of 76,754 inspected at markets, 43,700 locally inspected and 262 inspected at locker plants. There were 2,184 head held for proof of ownership. The September numbers did not include two markets and would be readjusted next meeting. There were 7 new holds that came into the office in September 2009 consisting of 7 horses for \$452.49. Two of these were for two mules at \$.86, and one colt for \$6.89. There were two holds cleared consisting of 1 heifer and 1 horse for \$852.47. In September 2009, 37 strays were returned: 8 cows, 4 calves, 12 steers, 10 heifers, 1 bull and 2 horses.

Duplicate Form: Shouldis and Stearns asked the Board to consider a new form for requesting a duplicate form and a new duplicate of the form itself. Examples from other states were provided as examples. The new form would require the producer to sign and notarize an affidavit that they lost the original form. The new duplicate would be a certified copy of the original. Conger asked if this new duplicate would supersede the original form. Deering said that it would. Shouldis added that a duplicate local inspection form could only be issued from the Brand Board office while duplicate market clearances could be issued by a full-time inspector at a sale barn. The Board asked that a completed form be brought back for approval at the next meeting.

Transportation Rule: The proposed transportation forms were discussed with Kimball telling that after conversing with prospective users of the form that they liked the proposed form where the individual would appear before the Board and meet certain qualifications before the permit is issued. This proposed form also requires that a local inspection form be attached to the permit and that a copy of the permit shall accompany the livestock when being moved. Conger asked if the person has to own the livestock to use the permit. Deering was asked to include leased livestock with a lease agreement to the proposal. The proposal will be discussed at the next meeting.

Licensed-bonded Order Buyers Request: This proposed was brought forward at the request of the Licensed and Bonded Order Buyers Association. This rule 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. Restrictions would include: All livestock on the market clearance be transferred; the livestock could not be co-mingled with other livestock and the livestock may not have left the barn. A time limit may also be considered. Conger suggested that we visit with the Animal Industry Board to see if this could be tied to licensing and bonding so that if the privilege is misused, that their buyer's license could be revoked.

Open Comment: A discussion was held about permits for stock contractors, the rodeo business and transporting rodeo animals. Jim Murphy asked if a person is allowed to transport another person's horse on it life-time transportation permit. He also asked how local inspectors are paid.

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

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Hearing for Hold BB002: The hearing was held to establish ownership of one stray horse for \$56.38 from Martin Livestock. As no one appeared to claim the funds for the horse, Conger moved and Blair seconded the motion to escheat the funds to the Theft and Prevention Fund.

Hearing for Hold BB010B: The hearing was held to establish ownership for one cow for \$757.98 from Ft. Pierre Livestock. When no one appeared to claim ownership of the cow, Blair moved and Conger seconded the motion to escheat the funds to the Theft and Prevention Fund.

Hearing for Hold BB026 was tabled.

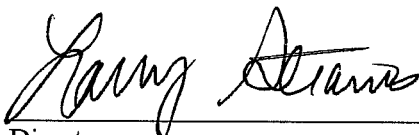
The discussion resumed on proposed rules with the lifetime permit for bucking bulls. Conger suggested that the term rodeo stock be stricken. Shouldis added that the inspectors felt an annual permit would be easier to enforce as the lifetime for bucking bulls is shorter than for a horse. After further discussion, the proposal was tabled for further research.

Legislative Proposals: Proposed legislation discussed was allowing the use of a shipper's permit to leave the brand area to obtain a brand inspection at an established open market. This proposal was for in-state open markets only. Horse inspection legislation was discussed. In a third proposal, the ability to brand livestock with an out-of-state brand when selling to the owner of the out-of-state brand as is allowed at sales barns was discussed. The Board commented that this permit would be hard to regulate. Finally, the administrative fine legislation introduced two years ago in conjunction with the reduction in the penalty for leaving the brand area was discussed. These proposals would be discussed further next meeting on November 18, 2009 at 11:00 am.

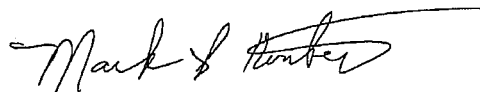
Conger moved to go into executive session to discuss personnel matters at 2:10 pm. The meeting came out of executive session at 2:55 pm. Blair moved that meeting be adjourned at that time. Conger seconded the motion which carried.

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 11-20-09.