

# State Brand Board

## Minutes of the Meeting

### November 3, 2011

The South Dakota State Brand Board met on November 3, 2011 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, and Curt Mortenson. Scott Vance joined the meeting in the afternoon. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Scott Rechtenbaugh DCI, Bryan Gortmaker DCI, Jerry Vogeler LMA, Bill Hutchinson SDSGA.

Blair moved and Mortenson seconded the motion to adopt the agenda which passed.

Mortenson moved and Blair seconded the motion to approve the minutes for the September 7, 2011 meeting. Motion carried.

Director's Report: Stearns reported that in September 2011, there were 38 brand applications, 24 new brands, 24 transfers, 2 re-recorded brands and 3 brand books sold. For October, 2011, there were 35 applications, 35 new brands, 41 transfers, 1 re-recorded brands and 16 brand books sold. Applications are current.

Included in the meeting packet were:

1. The Sept-Oct 2011–FY2011 reports of cash balances, revenues and expenses, for the Brand Board.
2. Director's Report
3. Brand Inspection Report
4. Proposed Legislation
5. Hold information
6. Letter from SD Stockgrowers concerning legislative proposals.

Director's Report: The director reported that Wray Shouldis and Ron Fravel attended a Nebraska brand meeting in Valentine in early September. Scott Vance, Wanda Blair, Scott Rechtenbaugh and the director spoke to the Brand Committee at the Stockgrowers Convention on September 22. The proposed legislation has been submitted to the Ag Department. After today's meeting, they will be contacted them with the legislation that we are going forward with. These go to the Governor next week. Our missing and stolen report is now published in the *Farm Forum* out of Aberdeen in addition to the *Tri-State Livestock News* and the *Cattleman's Weekly*. Kenny Fox asked the director to inquire as to whether the Board can comment on the proposed Traceability for Livestock Moving Interstate as to keeping the hot iron brand as a form of official identification. The Board felt that as a regulatory agency, they would be unable to take a position on the proposed rule.

Chief Brand Inspector's Report: Shouldis reported that for September 2011, we inspected 76,044 head. There were 38,760 head inspected at livestock markets; 325 in locker plants; 36,959 head inspected locally, with 346 head held for proof of ownership. For October 2011, 79,630 head were inspected at livestock markets, 184 head at locker plants and 88,958 head inspected locally for a total of 168,772 head. There were 1,846 holds. For Sept/Oct 2011, there were 6 new holds for \$4,583 that came into the office. These holds involved 5 cows and 1 steer. Seven holds were paid out on 4 cows, 4 steers and 2 horses for \$6,114. For the two months, there were 45 recovered stray reports filed involving 116 head of livestock: 30 steers, 13 cows, 44 calves, and 5 bulls.

Financial Report: Stearns gave the financial report and said that the revenues and expenses are in line with previous years. There were no questions.

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**Investigators Report:** Scott Rechtenbaugh reported that both brand investigators successfully completed the field training. Since completion, there have been a number of road checks completed with citations and warnings written. Both investigators are actively working on several cases. He also inquired as to the types of information that the Board wanted to see. Mortenson asked that the Board be told of any changes in trends for missing and stolen livestock and warning and prosecutions from road checks. Blair asked if the inspectors are still calling into the office with violation reports. The chief brand inspector has been forwarding these reports to the DCI.

**Investigator Retirement:** Bryan Gortmaker and Scott Rechtenbaugh addressed the board concerning a opportunity to move the investigators from Class A Retirement to Class B Retirement which the common practice for law officers. This move improves recruitment for new investigators and retention of investigators. Since the investigators have moved under authority of the DCI, they are eligible for this change with the approval of the Board retroactive back to July 1, 2011. The cost to the Brand Board is approximately \$1,600 per year for the two of them. A decision was made after lunch when the full board was available. Mortenson moved that the Brand Board approve placing the investigators under the Class B Retirement program. This was seconded by Blair and passed with voting as follows: Blair, yes; Blum, yes; Vance, yes; Mortenson, yes; and Kimball, yes.

**Shippers Agents:** Stearns and Shouldis asked the Board to allow open livestock markets to also be shipper's agents. They explained that the open markets could write a shipper's permit and give the producer a permit number to allow the livestock to be transported to an open market as is currently done through the brand office. This would allow all paperwork to be in place at the market when the livestock arrived. Deering said there was nothing in the law that would disallow this service. This would be offered as a voluntary service to the open market operators. Blair moved and Mortenson seconded the motion to allow open markets to become shipper's agents. This decision was also held over until all members could be present to vote. The motion passed with voting as follows: Blair, yes; Blum, yes; Vance, no; Mortenson, yes; and Kimball, yes.

**Open Comment:** Jerry Vogeler from the Livestock Marketing Association said that because of illness in his family that he was unable to contact the livestock markets but felt that his organization would still oppose the shipper's permit and recreational livestock legislative proposals as they did last year. He felt that they would have no position on the mileage and service fee proposals. He would not be available in the afternoon.

The meeting recessed for lunch at 11:45 a.m. and resumed at 1:00 p.m. with Scott Vance joining the meeting.

**Hold Hearing #BB098:** This hold involved an unbranded brown gelding sold as an estray at Martin L/S on July 10, 2010. As no one claimed this horse, Mortenson moved to escheat \$20.00 to the Livestock Theft and Prevention Fund. Blair seconded the motion which passed.

**Hold Hearing #BB102:** This hold involved a no brand palomino colt sold a Gordon L/S on July 27, 2010 for \$6.39. Blair moved and Vance seconded the motion to escheat the funds to the Livestock Theft and Prevention Fund. Motion carried.

**Hold Hearing #BB109:** This hold involved a no brand paint colt, a paint mare with an unregistered brand and a sorrel mare with an unregistered brand sold at Gordon L/S on September 4, 2010 as estrays. No

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owner came forth to claim these animals. Mortenson moved and Blair seconded the motion to escheat \$73.73 to the Livestock Theft and Prevention Fund. The motion carried.

Hold Hearing #BB120: This hold was for \$52.91 for an unbranded white roan pony gelding sold at Philip L/S on March 15, 2011 as an estray. As no one claimed the pony, Blair moved and Mortenson seconded the motion to escheat the funds to the Livestock Theft and Prevention Fund. The motion carried.

Hold Hearing #BB125: This hold involved an estray unbranded gray gelding sold at Philip L/S on May 30, 2011 for \$335.23. No one claimed the gelding so Vance moved and Blair seconded the motion, which carried, to escheat the funds to the Livestock Theft and Prevention Fund.

**Legislative Proposals:**

Shipper's Permits: This proposal would allow west river cattle to be taken to an in-state open market to obtain a local inspection on a shipper's permit with certain conditions. Following discussion, no motion was made to proceed with this proposal.

Penalty for leaving the brand inspection area: Vance moved and Blair seconded the motion to proceed with this proposal. The motion passed with the following vote: Blair, yes; Blum, yes; Vance, yes; Mortenson, yes; and Kimball, yes.

Inspector Mileage: This proposal would give the Brand Board authority to increase mileage reimbursement to brand inspectors to reflect the increased cost for fuel and maintenance. Following discussion, no motion was made to proceed with this proposal.

Surcharge on Local Inspections: This proposal would allow the Board to impose a surcharge for local inspections. The proceeds would go to the brand inspectors giving them an increase in compensation for performing local inspections. Following discussion, no motion was made to proceed with this proposal.

Fee for Recreational Transportation Permit: This proposal would have allowed the Board to charge a fee for a permit to move livestock across the Missouri River for recreational use. Following discussion, no motion was made to proceed with this proposal.

The director was asked to prepared scenarios for \$.10 and .20 increases in brand inspection fee and smaller numbers of livestock inspected and to also look at the age distribution of the inspectors.

The next meeting was set for January 4, 2012 at 10:30 am CDT.

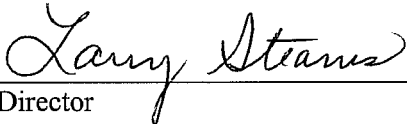
Mortenson moved and Blair seconded the motion to move into executive session at 2:05 pm pursuant to SDCL 1-25-2 (1) personnel issues and SDCL 1-25-2 (3) legal issues. The motion carried. The meeting came out of executive session at 2:20 p.m.

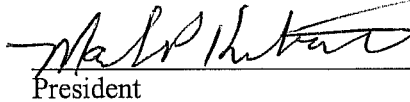
Blair moved and Blum seconded the motion to adjourn. The motion carried and the meeting adjourned at 2:20 p.m.

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Respectfully submitted,

Larry Stearns

  
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Director

  
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President

These minutes were filed for the record on 1-4-2012.