

State Brand Board  
Minutes of the Meeting  
October 11, 2012

The South Dakota State Brand Board met on October 11, 2012 at the State Brand Board office in Pierre, SD. Vice Chairman Curt Mortenson called the meeting to order at 10:30 a.m. Members present were Bart Blum, Curt Mortenson and Scott Vance. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Shad Stromer, Nathan Sanderson, Chad Mosteller, Courtney DelaRosa, Bob Fortune and Jim Murphy.

Blum moved and Vance seconded the motion to adopt the agenda with several changes. Motion carried.

Vance moved and Blum seconded the motion to approve the minutes for the September 5, 2012 meeting. Motion carried.

Director's Report: Stearns reported that in September 2012, there were 43 brand applications, 32 new brands, 41 transfers, and 3 brand books sold.

Included in the meeting packet were:

1. The July-Aug-Sept 2012 revenues and expenses, for the Brand Board.
2. Minutes of the September 5, 2012 meeting
3. Director's Report
4. Brand Inspection Report
5. Policy Proposal
6. Legislative Proposals
- 7.

Directors Report: The Director reported that Wanda Blair, Scott Vance and I met with the Stockgrowers on September 21 at their annual convention. Also the new computers for the office staff are installed and we are learning how to run the new Office software. All of the brand software is working well and there were no interruptions. He added that the Risse trial has been rescheduled to mid-November.

Ed Rybicki, from ERC, is undergoing treatment for a brain tumor next week for two weeks. He anticipates that he will be able to do his normal maintenance duties from Denver. The brand conflict hearing that was to be scheduled for this meeting was settled without a hearing.

Finally, Wray will now be working out of the West River Ag Center and the Pierre Office. He will be in Pierre several days of the week and the Hills the remainder for the time. Vance asked about the progress on electronic tallys at St Onge Livestock Market.

Chief Brand Inspector's Report: Shouldis reported that for September 2012, we inspected 107,555 head; 56,516 at livestock markets, 308 at locker plants and 50,731 head inspected on locals. There were 1,149 holds in September 2012. For September 2012, there were no new holds that came into the office. Three holds were paid out on 1 cow and 2 heifers for \$2,808.

Mortenson commented how adaptable that the local brand inspectors are and what great service he had from the three local brand inspectors that had worked with their ranch recently. Vance asked about hold procedures at the market level. An updated Strayed and Stolen Report was given to the Board. The new format would be put online soon.

Financial Report: Stearns reported on the cash center balances for September 31, 2012. For September 2012, the Board received \$124,407 in receipts and paid \$103,475 in expenses. For brand inspection, there

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were \$88,484 in receipts and \$60,074 in expenses for September.

Investigator Report: Chad Mosteller introduced himself to the Board. He is serving as the supervisor for the two brand investigators in the office. He elaborated on his background and said that they will try to proactive going ahead. Mortenson said that he is happy to see the involvement and engagement within the investigation area and Vance said that he has seen a remarkable change since the DCI involvement took place.

Courtney DelaRosa introduced herself as the new counsel for the Department of Agriculture. She has been on the job for two weeks and has already worked with the brand office on proposed legislation.

**Proposed Policy Changes:**

The inspector policy introduced at the last meeting was discussed. Vance moved to table a decision until next meeting allow all of the Board members to vote on it. The motion was seconded by Blum and carried.

**Legislative Proposals:**

The Board members present suggested since only three members were present that decisions on the legislative proposals should be tabled until all the members could vote on them. The proposals were discussed and opened up to the audience for input.

AGR-SD Brand Board #13- An Act to Establish a Fee for Local Inspection of Up To 100 Head or Less. A short discussion was held. Sanderson said that this proposed bill has broad consensus. He added that a proposed rule should be prepared for discussion purposes as an office concept prior to the legislative session. Fortune asked if the full-time inspectors, who are on salary, should be getting the \$10 service fee. This fee is a supplement to the mileage because of the high fuel prices.

AGR-SD Brand Board #14- An Act to Change the Fee Structure for the Livestock Transportation Permit. This proposal would allow a fee to be charged, in addition to the brand inspection fee, on recreational cattle moving in and out of the inspection area. Using the term "recreational livestock" would be added in the administrative rule process.

AGR-SD Brand Board #15- An Act to Amend Inspection Laws Concerning Shipper's Permits. This proposal would allow a producer to use a shipper's permit to transport to a willing in-state open market to obtain a local inspection. Vance said that adding the terminology of willing market makes this proposal more palatable. Information on this proposal will be sent to the livestock markets.

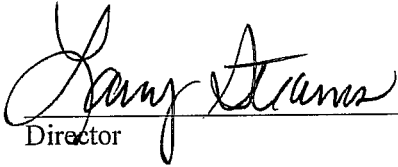
AGR-SD Brand Board #16 & AGR-SD Brand Board #17 – These proposals both deal with horse brand inspection. One with increasing the cap on the inspection fee so that cattle inspection is not subsidizing horse inspection and the other would eliminate horse inspection.

These legislative proposals will be discussed and a decision made at the next Board meeting set for November 7, 2012. A 1:00 pm conference call was suggested, but the time may be changed.

Open Comment: Blum talked about an inspector of the year award and said it may be difficult to determine one because all of the inspector's dedication to their jobs.

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Blum moved and Vance seconded the motion that the meeting be adjourned. Motion carried. Meeting adjourned at 12:05 p.m.

  
Director

  
President

These minutes were filed for the record on 1-23-2013.