

**State Brand Board**  
**Minutes of the Meeting**  
**March 28, 2012**

The South Dakota State Brand Board met on March 28, 2012 at the Mathew Training Center in the Foss Building in Pierre, SD. Chairman Mark Kimball called the meeting to order at 10:30 a.m. Members present were Wanda Blair, Bart Blum, Curt Mortenson and Scott Vance. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Scott Rechtenbaugh, DCI, Ron Fravel, Bryan Hall, Bob Fortune, Jim Murphy, Sylvia Christen, Jerry Vogeler, John Kerstiens, Kenny Fox, Ken Halligan, Bill Kluck, Travis Mickelson, and Char Price.

Mortenson moved and Blair seconded the motion to adopt the agenda with the agenda item Board Elections deleted. Motion carried.

Blair moved and Vance seconded the motion to approve the minutes for the January 4, 2012 meeting. Motion carried.

Director's Report: Stearns reported that in January 2012, there were 80 brand applications, 33 new brands, 63 transfers, 11 re-recorded brands and 0 brand books sold. For February, 2012, there were 100 applications, 31 new brands, 43 transfers, 5 re-recorded brands and 14 brand books sold. To date in March, there were 26 applications, 30 new brands, 19 transfers, 1 re-recorded brand and 2 brand books sold. The office has been inundated with brand applications. As such conflict checks are about a week behind.

Included in the meeting packet were:

1. The Jan-Feb 2012 reports of cash balances, revenues and expenses, for the Brand Board.
2. Minutes for the January 4, 2012 meeting.
3. Director's Report
4. Brand Inspection Report
5. Three Crosses Brand Request
6. Hold information

Director's Report: The director updated the Board on the plans for the 2012 International Livestock Identification Association conference on July 22-25, 2012 at the Civic Center Holiday Inn in Rapid City.

The director has been working with the DOT on replacing signs on highways which leave the Brand Inspection Area. The DOT will make and erect needed signage.

Our office has scanned in 210,000 market tallys and the inspectors are beginning to write electronic tally sheets at St. Onge Livestock. The director outlined the one-time bonuses and cost of living raises coming up for the inspectors and office staff. The Board inquired as to the large number of brand applications. The director said that he attributed the increase to a larger number of east river applications and the high cattle market encouraging people to get into the beef business.

Chief Brand Inspector's Report: Shouldis reported that for January 2012, we inspected 117,428 head; 83,372 at livestock markets, 400 at locker plants and 33,656 head inspected on locals. For February 2012, there were 104,288 inspected at livestock markets, 370 at lockers and 29,317 on local inspections for a total of 133,975. There were 2,223 holds in January and 2,031 holds in February 2012.

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For January/February 2012, there were 18 new holds for \$27,531.21 that came into the office. These holds involved 7 cows, 3 heifers, 1 calf, 21 steers, and 3 horses. Fourteen holds were paid out on 14 cows and 3 heifer, 21 steers, 1 bull and 2 horses for \$35,429.

For the two months, there were 28 recovered stray reports filed involving 41 head of livestock: 6 steers, 13 heifers, 11 cows, 10 calves, and 1 bull. The livestock markets had 22 reports for a total of 34 head. The local inspections had 6 reports for a total of 7 head.

Several Board members were surprised that the inspection numbers were up. Vance said that he thought the numbers would go down into the summer. A lot depends on the moisture conditions. If it stays dry, they probably would not decrease this year, but next year's inspection numbers would show the effect of fewer cattle in the country.

Investigators Report: Scott Rechtenbaugh reported that since the last meeting, there have been 16 referrals or investigations and 5 convictions for leaving the brand area. Although there have been no road checks in the last two months because of investigations, they will be starting again soon. Vance commented that he hears about the road checks in Faith, a hundred miles from the river. He finished his report by saying that he wants the investigators to go out and meet with the inspectors' one on one as they are the eyes and ears out in the country.

Financial Report: Stearns gave the financial report. The cost to the Brand Board for the one-time bonus could be \$45,000 and \$48,000. Mortenson asked and the director said he would be comfortable with moving funds between budget items to maintain positive balances.

Election of Officers: Blair moved and Blum seconded the motion to re-elect the current slate of officers. Motion carried. Mark Kimball will remain President and Curt Mortenson, vice-president of the Board.

Legislative Report: The director reported on the outcome of bills involving the Brand Board. The bill to increase the penalty for leaving the brand inspection area to a class 1 misdemeanor was signed into law and will go into effect on July 1, 2012.

Three Crosses Thoroughbred Farm Brand Request: Earlier this winter, Mr. Hall from the Three Crosses Thoroughbred Farm had a brand approved for the left hip. He asked to have it approved for the left shoulder. The request was denied by the brand office as there were conflicts. Following a discussion, the Mortenson moved and Blair seconded the motion to uphold the decision of the office staff. Motion carried on a 4-1 vote. Voting as follows: Blair, yes; Vance, yes; Blum, no; Mortenson, yes; Kimball, yes.

Hold Hearing #BB118: This hold was for \$363.79 on one black horned cow which sold at St Onge Livestock Market on February 22, 2011. Mortenson moved and Blum seconded the motion to table the hold until the next meeting for further research. The motion passed.

Hold Hearing #BB126: This hold was for \$88.31 on four head of horses delivered to Gordon Livestock Market on December 10, 2010 as strays. As no one came forth to claim the horses, Vance moved and Blair seconded the motion to escheat the funds to the Livestock Theft and Prevention Fund. Motion carried.

Hold Hearing #BB133: This was a hold for \$297.75 on a black white-faced cow delivered to Winner Livestock Auction on December 17, 2010. No one could prove ownership on this cow. Blair moved and

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Mortenson the motion to escheat the funds to the Livestock Theft and Prevention Fund. Motion carried.

Open Comment: There were no comments.

The meeting recessed for lunch at 11:45 a.m. and resumed at 1:00 p.m. with the Administrative Rules Hearing.

A motion was made by Blair to increase the fee for issuing a duplicate brand certificate from \$2 to \$5. Mortenson seconded the motion which carried with the following vote. Blair, yes; Vance, yes; Blum, yes; and Mortenson, yes. Kimball abstained.

Mortenson moved that the fee for brand inspection be raised from \$.80 to \$1.00. Blair seconded the motion. Mortenson said that the inspectors will benefit from the increase. He added that if we want to keep and attract good inspectors we need to able pay inspectors to do smaller numbers of livestock. The numbers of livestock nationwide are at an all time low and may go lower before the cow herd builds back up. The numbers are not going to stay at the current level. The mileage bonus is critical when inspectors drive their own vehicles. Blair said that in order to continue a successful program, we need to increase inspector pay and this is a good long-term plan to do this. Blum talked about the dangers of inspecting and the number of injuries. Vance added the he hoped that the proposed rule change may lead to some legislative changes and would encourage working together to make some of the changes legislatively. Voting went as follows: Blair, yes; Blum, yes; Mortenson, yes, Vance, no; Kimball, no. The motion carried.


Blair moved and Mortenson seconded the motion to move into executive session at 2:00 pm pursuant to SDCL 1-25-2 (3) for legal issues. The motion carried. The meeting came out of executive session at 2:05 p.m.

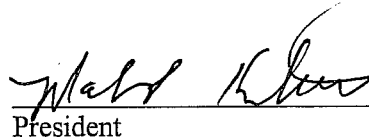
Blum moved and Vance seconded the motion to adjourn. The motion carried and the meeting adjourned at 2:10 p.m.

The next meeting was set for June 6, 2012 by conference call.

Respectfully submitted,

Larry Stearns

  
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Director

  
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President

These minutes were filed for the record on 5-15-2012.