



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

Monday November 17, 2014

1:00 p.m.

Call to Order

Board Members Present:

Jan French, Chair, cattle producer
John Lehfeldt, sheep producer
Linda Nielsen, cattle producer
Ed Waldner, swine producer

Jeffery Lewis, dairy producer
John Scully, cattle producer
Brett DeBruycker, cattle producer

Staff Present:

Christian Mackay, Executive Officer
Dan Turcotte, Milk & Egg Bureau
Dr Marty Zaluski, Animal Health
Eric Liska, Animal Health
Dr Bill Layton, Veterinary Diagnostic Lab

Sherry Rust, executive assistant
George Harris, Centralized Services
Steve Merritt, Public Information
Gary Hamel, Meat Inspection

Public Present:

Kraig Glazier, Wildlife Services
Chelcie Cremer, MT Farm Bureau
Chaley Harney, Mt Beef Council
Dr Tom Linfield, USDA APHIS AVIC

Brent Roeder, MT Woolgrowers Assn
Errol Rice, MT Stockgrowers Assn
Maggie Nutter, Marias River Livestock Assn

Board Communications:

- Jan French, Hobson
 - replacement cows are costing a fortune, nothing below \$3,000
- Jeff Lewis, Corvallis
 - cold and nasty weather
 - dairy prices stopping a bit
- John Lehfeldt, Lavina
 - nicest October in Montana in memory, cold now
 - predators still and issue
- Linda Nielsen, Nashua
 - cold, lot of snow
 - cattle prices are really up
- John Scully, Ennis
 - we have the cold, less snow
- Ed Waldner
 - temperature went from 40 to 15 above in less than 15 minutes
 - hog prices went down, but demand is up



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

- PED is still around, cold brings it out, no new cases in Montana

Approval of Minutes:

John Lehfeldt moved to approve the minutes for the September board meeting. Jeff Lewis seconded. The motion carried unanimously.

John Scully moved to approve the minutes for the October conference call. Ed Waldner seconded. The motion carried unanimously.

Interim Authorizations and Activities:

- Out of state travel authorization for Travis Elings, District Investigator Supervisor and Pete Olson, District Investigator, to attend the Five State Brands Conference in Bismarck, ND.

John Lehfeldt moved to approve interim authorizations as presented. John Scully seconded. The motion carried.

Executive Officer Reports:

Jeff Lewis moved to approve the executive officer reports as presented. John Lehfeldt seconded. The motion carried with John Scully voting no.

The board discussed timeliness, content, and necessity of reports. Christian Mackay and Sherry Rust to review Board Procedure Manual for edits needed for presentation at the January meeting.

USDA Wildlife Services, Kraig Glazier

- continuing with composting program outreach, very effective with bears
- producer groups seeing more coyotes, although coyote damage is down
- mountain lion issues are horrendous
- wolves - took less than last year
 - combination of trapping and hunting appears to be having an effect
 - also new MOU with FWP allowing Wildlife Services immediate decision at event site

Centralized Services Division, George Harris

- FY 2016-17 Executive Budget Request
 - reviewed OBPP authorized budget proposal
 - submitted into the new state budget system IBARS
 - expect Governor's budget today or tomorrow
- Monthly Cash Analysis Diagnostic Lab and Brands Enforcement
 - Lab month by month revenues are down about six thousand for 2015
 - approved cuts have been implemented but are not seen yet



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

- Milk and Egg/Milk Lab Assessment Analysis
George provided a detailed analysis of the funding issue in Milk and Egg and the Milk Lab revenue account 02701 - Milk Assessments
 - the two programs are funded with a \$.155 per hundred weight assessment on all classes of milk produced or sold by licensed person in Montana
 - 2015 budgets are \$368,823 for Milk & Egg and \$129,398 for the Milk Lab to equal \$411,714.77 of spending authority
 - projected needed funding for 2015 includes:
 - 2014 estimated expenditures \$411,714
 - pay increase \$ 11,111
 - Lab overhead \$ 11,000
 - repayment of deposits \$ 16,780
 - Total revenue need for FY2015 \$450,605
 - George offered three options to generate the necessary revenue:
 1. adjust both maximum (average 10 dairies) and minimum (1 to 3 dairies) assessment from \$1,050 to \$1,100 and from \$50 to \$100
 2. leave the maximum fee unchanged and raise the minimum fee to \$200
 - large producers pay \$12,600 per year for 2 or 3 inspections
 - smaller dairies (for \$50 minimum) most often have the problems and require more repeat inspections and follow-up
 3. maximum fee remains unchanged and minimum fee raised to \$250
 - Each of these options must go through administrative rule process and would possibly be effective February 2015
 - the no-action option projects a deficit of \$16,047

The board consensus is that the no-action option is the only one they will consider. If there is no money, don't spend. Each bureau and division must concentrate on cutting expenditures to stay within their budget.

Members of the board commented that the executive officer must work closely with the executive officer to assure effective cuts.

- Livestock Loss Board, George Edwards
 - LLB holding their meeting December 4 at the Billings Hotel and Convention Center
 - payouts \$94,800 with claims for two more calves
 - last year entire year total was \$96,824
 - will be paying out a lot more this year
 - at 70 head, 12 less than last year at this time
 - \$100,000 from feds this is the last time for grants from the board for compost projects
 - promised 2 months ago, not here yet
- Milk Control Board, Chad Lee



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

- recommendations coming at the next meeting for proposed administrative rule changes
- continuing to review and reorganize

3:30 p.m. Recess

3:40 p.m. Reconvene

Milk and Egg, Dan Turcotte

- Eggs
 - the new production at Montana egg averaging 30,000 new chickens
 - taking 10% more hours to cover
 - averaging 13 hour days for inspector and 12 hour day for plant
 - issue comes up when part time employee goes over 20 hours - we are then charged for health insurance even if they opted out (about \$9,000)
- Part time employee retired
 - Dan and Rosemary are filling in for the Gallatin Valley in the interim
- 12 Day Milk Rule demand letter
 - draft is at the attorney
 - he wants to do a phone conference call with Coremark prior to sending it out
 - in effort to keep us out of federal court
- Fee assessment options
 - board requests Dan to provide an estimate of time taken with large and small plants and store inspections to give a general guideline of man hours per service
 - consider fees on processors - perhaps a tiered system to better distribute costs to the producer

Veterinary Diagnostic Lab, Dr Bill Layton

- Accreditation - lab is now fully accredited until December 2015
- Action Item - Brucellosis test fee
 - most testing coming from the DSA area
 - fee set in last administrative rule was too low - estimates for cost between \$4 and \$7.50

Brett DeBruycker moved to increase the brucellosis test fee from \$1.75 to \$2.50. Ed Waldner seconded.

Brett DeBruycker moved to amend the motion from \$2.50 to \$3.50. Linda seconded. The motion carried with John Lehfeltd voting no.



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

- board discussion centered on what the actual cost of brucellosis tests (depending on type used) actually are in order to set a fee that is equitable and commensurate with costs

Brett DeBruycker withdrew the original motion to increase the test fee.

The board requested that Dr. Layton provide actual cost of tests discussed including any extra cost for additional testing in the case of an emergency event to the board within two weeks. Then they will look at the issue again.

- VADDS (new lab system)
 - pilot is up and running
 - will do double entry for a period of time to insure nothing is lost
 - February is the anticipated time of going live

Producer Organization Updates

- Montana Farm Bureau, John Youngberg
 - producer groups need solid numbers (test costs) to go before the legislature
- Montana Beef Council, Chaley Harney
 - participated in the Bacon Festival
 - next board meeting is January 8

Public Comment

- Maggie Nutter
 - every producer wants the lab to cover the cost of tests

5:15 p.m.

Adjournment



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

8:05 a.m.

Call to order

Board Members Present:

Jan French, Chair, cattle producer
John Lehfeldt, sheep producer
Linda Nielsen, cattle producer

Jeffery Lewis, dairy producer
John Scully, cattle producer
Brett DeBruycker, cattle producer

Absent:

Ed Waldner, swine producer

Staff Present:

Christian Mackay, Executive Officer
Dan Turcotte, Milk & Egg Bureau
Steve Merritt, Public Information
Marty Zaluski, Animal Health

Sherry Rust, executive assistant
George Harris, Centralized Services
John Grainger, Brand Enforcement
Gary Hamel, Meat Inspection

Tahnee Szymanski, Animal Health
Eric Liska, Animal Health

Marty Clark, Brand Enforcement
Dan Turcotte, Milk & Egg Bureau

Public Present:

Chelcie Cremer, MT Farm Bureau

Maggie Nutter, Marias River Livestock Assn

Division Reports Continued

Animal Health, Dr. Marty Zaluski

- Rule Exemption Review
 - animal health has granted exemption on a case-by-case basis
 - several rules need to be amended to specifically authorize the State Veterinarian to continue this flexibility
 - also numerous MCA cites are incorrectly used or missing
 - Dr Zaluski will bring proposed amendments for approval to publish for comment at the January meeting
- Reactor Herds
 - following up looking at contacts to see how big this might be
 - looking to USDA for help in spring testing
- John Scully read into the minutes an Email letter addressed to Christian Mackay:

To Whom It May Concern:

I support the proposed amendment of ARM 32.3.212 and 32.3.212A in regard to brucellosis vaccination of cattle from origins that have not had brucellosis for 10 years. Department enforcement of state of origin official individual identification will be onerous to manage given the movement of females interstate, the value of intact females, and the indifference of the buyers and sellers of this class of



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

cattle. This especially pertains to the movement of intact female pasture cattle and purchased replacements by those producers who are impacted by DSA vaccination and testing regulations. Even though these proposed changes are positive in regard to states and provinces with no brucellosis, they will place an additional burden on producers in areas around DSAs and the state's enforcement of the DSA regulations. It is essential the DOL animal health enforcement personnel communicate with impacted producers in regard to this new availability of non-vac replacements and the implications of the purchase thereof. This especially pertains to non-vac bred females that need to be vaccinated before they enter a DSA. Protocol for this type of vaccination may be off label and could cause some abortions. If the Animal Health division of the DOL expects the district, market, and local brand inspectors to carryout this enforcement, they need to be educated and compensated accordingly via Animal Health communication and funding. It certainly seems that the DSA has been the perfect vehicle to shift the risk and burden of diseased wildlife away from the managing state and federal agencies and onto the private producer who has little control of where this diseased wildlife roams. Thanks for the opportunity to comment.

*Sincerely,
Jim Hagenbarth*

- Bison Vaccination
 - proposed vaccination beginning last year on the west side
 - EA (2003) was considered too old
 - have tentative agreement to update the old EA to be ready within six weeks
 - could commence the vaccination program this year
- The bison EA recently posted by FWP is not joint with MDOL
- Trich
 - 19 states have approved joint resolutions to harmonize testing requirements
 - to provide common standards between states

Meat Inspection, Gary Hamel

- Federal review completed and passed
 - second part is to complete an self-assessment, that is done and submitted
- New inspection applications
 - 5 are pending, some of which may decide to just stay retail
- Hiring
 - in the process for two vacant positions

Public Information Office, Steve Merritt



BOARD OF LIVESTOCK MINUTES

November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

- Online per capita fee reporting
 - working with Christian Mackay and the Department of Revenue to establish online reporting of livestock
 - advantage is we can collect and save data, plus faster and easier for producers
 - DOR wants to eliminate mailing out paper forms
 - presented a sample post card to be sent out

Board consensus is to eliminate all MDOL references and logos, we are not a collection agency and since this is the way things are going we owe it to the producers to make the process as easy as possible.

- Regarding Rule Notices
 - Steve can set up an RSS to the department rule notice segment

9:30 a.m. _____ Recess

9:45 a.m. _____ Reconvene

Brands Enforcement, John Grainger

- Fee increases, food for thought
 - working on raising fees on those areas that cost the most time in resolving issues so as to not penalize those who are straightforward issue
 - for instance may decrease cost of rerecord but add a new fee for "reprocessing"
 - Laura Hughes, Market Auditor, mentioned dealer licensing and reprocessing fees
 - association sales should be charged a fee
 - need to address open ended issues such as how many market sales (once a week plus extra sales)
 - a late fee for those who do not pay by the deadline
 - some fees have never been changed
 - Laura's position is only partially covered by fees that are generated

Board consensus is to move forward and bring information back to the board.

Public Comments

- Chelcie Cremer, MT Farm Bureau, the Park's proposal for a new quarantine facility, we don't think it's a bad idea but do not want that to be the only tool. They will be located anywhere in the state and privatized facilities, this is a worry to the industry
- Maggie Nutter, agree with Chelcie but don't want them listed on the endangered list either. State two is a worry if implemented too quickly or sloppily.



**BOARD OF LIVESTOCK
MINUTES**
November 17 & 18, 2014
Board Conference Room 318
301 N. Roberts, Helena, MT 59601

Next Board Meeting set: January 26 & 27, 2015
Board Conference Room 318

George Harris provided the Governor's budget book 2016/17 for MDOL to board members.

11:22 a.m. _____ Adjournment

Jan French, Chair

DRAFT