



MINUTES BOARD OF LIVESTOCK MEETING

SEPTEMBER 26 & 27, 2011
LIVESTOCK CONFERENCE ROOM 319
301 N. ROBERTS, HELENA, MT

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
Ed Waldner, swine producer
John Lehfeltdt, sheep producer
Linda Nielsen, Vice-chair, cattle producer

Brett DeBruycker, cattle producer
Jeffery Lewis, dairy producer
Stan Boone, cattle producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
George Harris, Centralized Services
Dr Marty Zaluski, Animal Health
Dr Tahnee Szymanski, Animal Health
Steve Merritt, Public Information
Sherry Rust, executive assistant, minute taker

Carol Olmstead, Meat Inspection Bureau
John Grainger, Brands Enforcement
Dr Bill Layton, Veterinary Diagnostic Lab
Dr Eric Liska, Animal Health
Christian Mackay, Executive Officer

PUBLIC PRESENT:

Gene Surber, private consultant
Les Graham, MFBF, MMSA
Dr Jeanie Rankin, producer

Ariel Overstreet, MSGA
Bruce Booth, Trans Ova Genetics
Dr Ryan, APHIS

1:00 PM SEPTEMBER 26, 2011 CALL TO ORDER

ADMINISTRATIVE ITEMS

Board Communications:

- Jan French, Hobson
 - Dry, no hoppers, no fires, beef business is excellent in our country
- Jeff Lewis, Corvallis
 - Dairy business is stuck in a bad situation-feed is high, milk going down.dry, dry and smoky
- Stan Boone, Ingomar
 - Never seen the country any better, grass is high, still green, no fires, no problems with grasshoppers, cattle are in great shape
- Ed Waldner, Chester
 - Hot and dry, no rain since June, pork prices are good, beef prices are high
- John Lehfeltdt, Lavina
 - Dry, hoppers, lamb and wool prices are up
- Linda Nielsen
 - Cattle prices are still pretty good, at her most recent horse sale one went for \$2250 out of approximately 80 head
 - area is dry and lots of grasshoppers

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Approval of Minutes:

Linda Nielsen moved to approve the July 26, 2011 minutes as presented. John Lefheldt seconded. The motion carried unanimously.

Interim Authorizations and Activities:

There were no interim activities.

Executive Officer Reports:

Jeff Lewis moved to approve the executive officer report as presented. John Lefheldt seconded. The motion carried unanimously.

1:10 PM

DIVISION REPORTS

Animal Health

- Trichomoniasis Administrative Rule, Dr. Szymanski
 - Received about 50 comments, including the two meetings held last week with two more meetings are scheduled for next week
 - Comments were mixed regarding downsizing the testing areas
 - A number were adamantly opposed to the open cow testing proposal,
 - Supporters of the open cow rule feel we need to address the open cow issue
 - Overall comments agreed that restrictions are needed
 - Supporters are more open to testing of imported open cows
 - Numerous, well reasoned comments were that a trich ID tag should not be made part of the rule
 - Grazing districts requirements and possible exemptions generally well received

Public Comment

- Bruce Booth, Trans Ova
 - Rule could potentially adversely affect Trans Ova business plan
 - If Trans Ova eliminates the 10 counties included in this rule possibly the business could not meet their quota from the remaining areas of the state
 - Have had to pull some cows from Belle Fourche & Idaho to meet demand in the past
 - Dr Zaluski response: open cows purchased from the 10 county area could move out of the state without restrictions
- Dr Jeanne Rankin
 - Her concern is with the 10 county epizootic proposed area
 - Should be looking at where the cases are documented which does not cover 10 counties
 - Recommendations
 - include the known cases that are documented
 - all the bulls in the 4 county area tested once a year
 - keep the open cow rule
 - establish the epizootic area as a separate ARM

Brett DeBruycker entered the meeting at 1:30 pm.

- Exemption for NILE for animals Not being sold

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- Allows exhibitors an exemption to show animals but not for sale
- This would be a continuance from past shows regarding Canadian show cattle

John Lehfeldt moved to authorize the exemption as presented. Linda Nielsen seconded. The motion carried unanimously.

- Request for Exemption
 - 43 commercial Angus bred heifers proposed to be brought into Montana from West Virginia
 - Heifers would be vaccinated after they calve in April 2012
 - All heifers will test negative prior to importation into Montana
 - Dr Zaluski said that this exemption should not pose a health risk if they test out prior to importation

The board deferred a decision until the producer can provide more information for Dr Zaluski and the board

- Miscellaneous Updates
 - 32 yr old mule tested positive for EIA
 - 2 companion equines tested negative
 - The mule was euthanized
 - Positive brucellosis found in Park County cattle
 - Close enough to the 2008 infected herd to assume elk source until test results provide data
 - May need to work with FWP regarding additional risk management regarding area elk population
 - December's new federal rule that eliminated depopulation also changed the mandatory test age to over 6 months of age regarding adjacent herds
 - Update on the Charlo dairy that requested exemption on importation of dairy cattle
 - Brought in cattle from 4 different places
 - Mortality loss of about 80 head between February and September 2010
 - Following testing and investigation for health hazards Dr. Zaluski and investigators agreed this was more probably a management issue
 - Owner is trying to sell his stock, and possibly move out of state

USDA Wildlife Services (Predator Damage Management), John Steuber

- Funding Issues
 - Amending agreement for funding with DOL and bringing in for signatures
 - Still under continuing resolution regarding federal funding
 - Hopeful for an agreement from Congress
 - For WS there is actually a slight increase at this point
 - Working on making up for budget cuts by talking with counties
 - Golden Valley County and Wheatland County have signed cattle petitions and will have funding next spring from this year's taxes
 - Depredation Updates
 - Since July there have investigated 30 incidents
 - very busy right now with wolf depredation reports from Kalispell down to Beaverhead
 - A grizzly killed 2 cows and 3 calves southeast of Red Lodge;
 - captured by Wildlife Services who transferred custody to FWP

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- Was subsequently euthanized by FWP
- Received \$110,000 of FWP license money for wolf depredation
- There are a lot of wolves not on the radar only 4 packs were collared of 28 investigated since July 1
- New cooperative funding for fulltime WS employees:
 - at MAFB concerning birds hazard to helicopters and ground squirrels causing false alarms at missile sights
 - at MT Air National Guard (120th Fighter Wing facility at Great Falls Airport) regarding birds hazards to aircraft
- Helicopter hazing of bison:
 - WS flew 5 days in 5 years with the DOL machine and the APHIS pilot
 - when no commercial chopper was available

Milk & Egg, Dan Turcotte

- Egg Grading plant opened Aug 23rd
 - This is an unmanned machine which USDA does not have rules in place for
 - It is rated at 1200 cases a day but only processing about 400 due to the start up issues
 - Roy requested to be there 5 days a week (typical day is 11 hrs)
 - As of now he has 3 weeks of 7 days a week
 - During October the plan is to get a USDA employee to run the plant 1 week so Roy can do United Egg Producer animal welfare audit and other dairy duties
 - Last week FDA came in to do rating and plant review
 - Trying to get the egg trainer hired and trained
 - Training requires 3 weeks in Washington state
 - Running at 85% efficiency (an estimated 1000 cases) the plant does not have capacity to process all the Montana eggs
 - It will probably have to run 6 days a week and maybe 10 hour days to process all Montana eggs

3:00 PM RECESS
3:15 PM RECONVENE

Diagnostic Laboratory

- Management review document will to be sent to NALM (copies provided to board members)
- New Lab Plan Updates
 - Meeting with MSU on 16th-
 - interested and have land allotted but would probably be a lease deal-they envision a campus of FWP, DOL & Ag
 - \$50-120 thousand range for preliminary architectural plan
 - \$100,000 CM spoke of at an earlier meeting may still be available
 - Must have the plan to move forward
 - Ft Ellis might be interested in making a space for our lab per John Lehfeldt

PUBLIC COMMENT

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- 5% this year and 5% next year from all division budget expenses
- Would amount to reduction on all non essential personnel and services
- An example would be \$71,000 for CSD, etc.
- 3) 5% reduction and Per Capita Fee increase in FY2012
 - 5% reduction in expenditures 2012 and 2013 and increase per capita fee to the allowed maximum
 - Would mean approximately 2012 FYE \$1,088,332 and 2013 FYE \$879,716 fund balances
 - Brands Enforcement inspection increase from 50 cents to 75 cents (last raised 2002) could bring in an extra (\$2.2 million) increasing the Brands Enforcement fund balance by \$400,000, etc
- 4) 5% reduction and continuing Per Capita increases to the max each year
 - raises \$400,000 in revenue so fund balance FYE 2013 would be \$1,285,254 to the good
 - Additional comments
 - Brands Enforcement needs to look at increases in fees (brands-new and rerecord, inspections, etc) to bring them into line with actual costs
 - The analysis illustrates an extreme need to increase per capita (a 5% increase this year would generate \$311,341 for 2012, or the maximum statutory allowable would increase the fee by 7.5% and would bring in \$405,538 in FY 2012.
 - Dr. Zaluski recommended to not raising domestic ungulant fee as staff time for alternative livestock is covered under the current fee.
 - Christian noted APHIS is moving toward more funding for testing and less for management and market numbers will probably be down to the 2006 average for less overtime in the markets but has recently received letters from 2 industry groups wanting more

Linda Nielsen moved to establish a working group to assess industry producers and organization members concerns regarding increasing per capita and brand fees. John Lehfeldt seconded. The motion carried unanimously.

- Christian proposed meeting on Friday 7th, with a board follow up conference call on October 13 or 14
 - Choose members and meet in a city accessible to all
 - Members of cattle, pork, sheep and other producer organizations who wish to participate
 - Les Graham expressed support by noting that the market association and Farm Bureau are not opposing per capita fee raises

9:30 PM RECESS

9:45 PM RECONVENE

Meat Inspection Bureau, Carol Olmstead

- Funding
 - FISI USDA proposed a 50% cut for federal FYE 2011
 - proposed to cut Meat Inspection budget by \$20,000

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- Carol did an analysis with accounting and sent FSIS letter showing the need and requesting the \$20,000 back
- Her request was granted
- Federal review
 - The Helena office and 12 Montana plants were audited
 - Resulted in 3 findings by the feds and 4 findings by our staff
 - Findings were mostly paperwork
 - 1 finding was lack of supervisors accountability
 - Training & testing followed; all supervisors passed tests and will assume accountability for their plant reviews, etc
 - Additional requirements include plant reviews on 40 plants to prove findings in the 12 plants are not an issue in the remaining plants
- Attending USAHA in Buffalo NY next week
 - FSIS is funding half of this
 - includes 2 days of motel, airplane cost, some per diem and travel expense
 - very beneficial to meet with attendees from other states

Brands Enforcement, John Grainger

- Rerecord numbers
 - 29,863 brands rerecorded as of 8 a.m. this morning that equals 54.49%
 - 60% were done on the web
 - 36% by mail
 - 4% walk ins (1,300 people)
 - Historically we lose 15,000 brands per rerecord, if so, we are 75% done
 - Christian commented that this rerecord has cost the department way less than previous rerecords
 - John said he is doing a cost analysis and possibly could lower rerecord fee next time
 - Rerecord and transfer at the same time would continue as one fee
 - Transfer after rerecording would be another \$100
- Prescribed brand practices document
 - Changes are mostly for clarity with some added guidelines
 - 6 month end date for applications
 - Refunds limited to 50% if offered choices are not taken

Brett DeBruycker moved to accept the proposed practices as presented. Linda Nielsen seconded. The motion carried unanimously.

- Request letter – Interstate Exemption
 - A Powder River producer is asking for an exemption for border grazing inspection (over & back) across state lines.
 - There is no exception allowed in our statutes because they are going out of and coming back into the state.
 - Both Montana and Wyoming have the same state and county line rules regarding inspections.
 - Christian will draft a board response explaining what is allowed and what is required and if it is other than covered in the letter the producer must come before the board and explain their request.

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- Jan presented John Grainger with his 5 year pin and offered board congratulations.
- Transfer of Certificate of Need, Gary Hamel
 - Headwaters Livestock Auction Market requests transfer of their certificate of need to Jerry Olson who will lease and operate the market
 - The board must hold a hearing to ascertain capabilities of proposed new entity
 - requested audited financial statements from both old and new entities
 - new applicant to provide financial and management capabilities and any proposed management/fee changes
 - letters of notification must be sent to other markets
- Incorporating internet marketing into our statutes, Gary Hamel
 - Provided a draft of proposed changes to incorporate into current statute 81-8-213
 - defining “agents” and what they can and cannot do
 - Internet livestock auction added and defined in 81-8-264 as per North Dakota statute
 - Gary asked for direction from the board
 - The market committee will also continue to provide input
- Internet Reimbursement for District Men, John Grainger
 - The state recently mandated that all employees to submit their own time online
 - Brands district men are submitting time and other documents online, a savings to the department in mailing and travel costs
 - The question is should brands employees who do not have to department access (at the market, etc.) be reimbursed for internet access at home
 - Most brands employees have market access
 - John estimated about 10 men at \$30/mo for those with no market close enough to drive to (4 districts) and bison personnel
 - This issue is because the state mandated that payroll must be submitted online and we cannot meet that mandate with access to department internet for all

Jeff Lewis moved to provide internet access (\$30) reimbursement for those brands employees who do not have access to department internet for submitting timesheet (as mandated) and email communication for department business. Brett DeBruycker seconded.

Brett DeBruycker moved to amend the motion to reimburse at \$30 per month for 6 months. Stan Boone seconded. Motion carried unanimously.

On the original motion to provide reimbursement, Linda Nielsen voted yes, the rest of the board voted no. The initial motion did not pass.

PUBLIC COMMENT

OTHER MEETING ANNOUNCEMENTS

Western Dairy Assn meeting is in Great Falls on Oct 12

Women Stepping Forward In Ag in Billings on Oct 19

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ANNOUNCEMENT OF NEXT BOARD MEETINGS

Board conference call tentatively scheduled for Oct 13th

Next regular board meeting November 14 & 15, 2011

(Board meetings will be scheduled on the third Monday & Tuesday of every other month unless otherwise noted.)

ADJOURNMENT 12: 15 P.M.

JAN FRENCH, CHAIR

DRAFT