



Montana Board of Livestock Meeting Minutes

(This Meeting was open to the Public and was also available by ZOOM)

August 25, 2021

MT Beef Council, 2nd Floor, Suite #4
2795 Enterprise Ave, Billings, Montana

Board Members Present

Gene Curry, Chairman (cattle producer)

Alan Redfield (cattle producer)

Jake Feddes (cattle producer)

Sue Brown (dairy and poultry)

Greg Wichman (sheep producer)

Nina Baucus (cattle producer)

(Ed Waldner was not present. Gene Curry, Alan Redfield and Nina Baucus attended the meeting in person. Everyone else attended virtually)

Staff Present

Mike Honeycutt, EO

Evan Waters, Centralized Services

Buddy Hanrahan, Centralized Services

Dale Haylett, Centralized Services

Darcy Alm, Milk & Egg Bureau

Darryl Ford, Milk Control Bureau

George Edwards, Livestock Loss Board

Ethan Wilfore, Brands Enforcement

Kim Dallas, Brands Enforcement

Brian Simonson, Deputy EO

Dr. Marty Zaluski, State Veterinarian

Dr. Tahnee Szymanski, Animal Health

Dr. Gregory Juda, MT VDL Director

Dr. Eric Liska, Animal Health Bureau

Dr. Anna Forseth, Animal Health Bureau

Gary Hamel, Meat & Poultry

Alicia Love, Meat & Poultry

(Mike Honeycutt, Brian Simonson, Dr. Marty Zaluski and Ethan Wilfore attended the meeting in person. Everyone else attended virtually)

Public Present

Rachel Cone, MT Farm Bureau Federation

Dalin Tidwell, USDA Wildlife Services

Chaley Harney, MT Beef Council

Joe Goggins, PAYS

(Rachel Cone, Chaley Harney and Joe Goggins attended the meeting in person. Dalin Tidwell attended the meeting virtually)

MEETING CALLED TO ORDER AND INTRODUCTIONS

(1:04) 8:01 AM

Chairman Gene Curry called the meeting to order at 8:01 AM and requested an introduction and update from each BOL member present in Billings and on ZOOM

- Alan Redfield, Cattle Representative from south of Livingston, reported that most people are on the second cutting of hay and that they had a real nice rain that greened up the entire valley

- Nina Baucus, Cattle Representative and sheep producer north of Helena, reported that they were dry but were fortunate to have a rain lately. She said they were short of pasture and seriously thinking about culling their herds. Lions had been killing livestock in their back yard
 - Ms. Baucus reported that the Ovando Valley had a lot of bears in it and people there were contemplating cutting down their fruit trees because they attract bears
- Sue Brown, Dairy & Egg Representative from Belgrade, made her report from Costa Rica. She said that they were searching for organic hay and grain to buy because they were short of it. But, she did say that their business back home was fine and that their goats were doing well
- Jake Feddes, Cattle Representative from around Bozeman, said that they were dry, but had received some rain the previous week. He had been marketing feeder calves and said the market had been really good, with prices holding up. He reported that he and his wife came down with COVID two days after attending the NCBA Convention. But, once they are through quarantining, he said they will start weaning calves early and get them into the feedlot on feed
- Greg Wichman, Sheep Representative from Hilger, reported that they had a good shot of rain that gave everything a green tinge. He said that their lambs were gone and they were probably looking at trying to get rid of some cows and calves soon to save what pasture they had left. He added that he and his wife both came down with COVID, a parting gift from their granddaughters who had been visiting them

BOARD ADMINISTRATIVE ITEMS

(8:06) 8:06 AM

(8:06) 8:06 AM – BOL APPROVAL OF PAST MEETING MINUTES

Chairman Gene Curry requested approval of the minutes for the June 30, 2021 BOL meeting:

MOTION/VOTE

(8:35) 8:07 AM

Nina Baucus moved to approve the minutes from the BOL June 30, 2021 meeting. Alan Redfield seconded. The motion passed.

(9:09) 8:07 AM – REPORT FROM BILLINGS-AREA MARKET OWNER, JOE GOGGINS (Summer Sales Volumes/Increased Market Activity/Expectations Going Forward)

Chairman Gene Curry introduced Joe Goggins, Billings-Area Market Owner (PAYS, Northern Livestock Video Auction)

- Mr. Goggins reported that the cattle market was showing some strength, with most calves, yearlings, etc., for fall delivery, bringing \$15 to \$25 per hundred

higher than usual. The lamb market, he said, is dollars higher than it was a year ago

- Someone must have the bunk space and quite a bit of cheap feed to be buying like they are, Mr. Goggins said
- Mr. Goggins thinks that there will be 30% to 40% less cows in Montana a year from now, as he sees a “Fall Run” of the markets now
 - He spoke of seeing 4,000 at the market today and 3,500 at BLS last week, when typically there are 300-500 at the most
- Mr. Goggins said it had been hard on some people who were having to sell a lifetime of breeding stock, an entire crop they don’t want to sell
- With many ranchers up in their years with no young family member behind them to take over the operation, some may sell their herd and not come back
 - Jake Feddes said that the average age of a farmer or rancher in the industry is 63 years old and who at that age would want to sell their cows and get back into the business
 - The current administration, according to Mr. Feddes, is talking about lowering the inheritance tax threshold to \$1 million and if that happens, that would put every single operation out there that’s going through a generational transfer out of business
 - Mike Honeycutt said that it took 8-9 years for cattle numbers to come back after a herd contraction that took place in Montana in 2011-2012 due to a drop in beef prices
 - Mr. Goggins said it was key that consistent profitability be put back into the industry and that would bring young people in to invest in it
 - Mr. Goggins shared that for some jobs they have open they get 40 to 50 applicants for the position, and people come and fill the application out but don’t show up for the interview
- Some were selling not only their cattle herd but their ranches as well, selling them to people for hunting purposes
 - Mr. Goggins said that there were quite a few ranches for lease or sale right now, but for those leasing it for hunting, they like the cattle off the property by the first of September and that does not work well for cow/calf-type operations
 - Some old-timers Mr. Goggins had spoken with said this was an historic drought adding that last one remotely close to this one was in 1988
- Another concern for producers was that some have had to travel 1,000-1,500 miles to get feed. With hay up in some places to \$300-\$400/ton and Mr. Goggins said that bankers would not lend money to producers for hay with prices that high
- Canadians had been the main market for cattle in this trade area during the last year, but, Mr. Goggins said that in July and August, a lot of independent farmer feeders, like from Iowa had been buying our cattle as well
 - Jake Feddes added that Canadians were buying more cattle from him and even down into Southern Idaho Canadians were buying cattle
- The trouble with the whole industry the last 70 years, according to Mr. Goggins, had been at the fed cattle/processor level, selling calves and yearlings, bulls and bred cattle at the most competitive stage in their lives

- Producers fight everything, the weather, the lenders, being with those cattle 365 days a year and when they sell them they break even at best. But, processors could make \$1,000 to \$1,200/per head in a day or two. Mr. Goggins said there needed to be some fairness and competition at that level
- Sue Brown thought that perhaps a cooperative between Montana and Midwest states for feedlots might help the situation for cattle producers, even though it could take years of planning
- Jake Feddes asked what happens when so many local processors come on board, but with the lower cattle numbers coming in the future, how many cows are going to get slaughtered at those new plants and then, will the “Big 4” processors just gobble them up?
 - Mr. Goggins said that the number one concern of packing houses that he had met with was not how much meat they would sell, but was there a guarantee of procurement, would there be enough cows to produce enough feeder cattle
- Mike Honeycutt reported that there had been 3-4 day market delays getting cattle across the Canadian border because of staffing decisions made by USDA-APHIS. When Dr. Zaluski raised that concern with the Governor, the Governor was willing to put his name on a letter to USDA to try and make sure that nothing would get in the way of the Canadian interest
- Mr. Honeycutt said that with the “Fall Run” happening in July and August, short-term workers had been already brought in to work and the expectation was that October, November and December would not be as busy, so those workers would not use up their 90-days/year too early
- With the concern of per capita numbers going down because of cattle sell-off, Mr. Honeycutt assured the BOL that because the DOL set a goal of 30%-40% additional reserve in per capita a few years ago, from a cash-flow perspective, the DOL would not have to make immediate or rash decisions if there was a 30% pullback in per capita next year
 - If there was a 30% drop in per capita revenues it would be around \$1.5 million - \$2 million in lost revenue plus the brands fees and other things that go along with that
- Mike Honeycutt commended Montana FWP for trying to help ranchers with their haying and grazing situations by giving up some wildlife management areas
 - Alan Redfield explained that with no feed in the hills because of some tough winters, the elk have been hammering the haystacks, tearing up bales before they are hauled off

OLD BUSINESS

(57:10) 8:59 AM

(57:16) 8:59 AM – UPDATE ON COVID-19 DOL RESPONSE & CONTINUITY

Mike Honeycutt reported that State Government was supposed to be returning all employees to their work stations on September 7, 2021:

- Mr. Honeycutt said that with the employees returning to the office, close contact would continue to be monitored, following Lewis & Clark County Public Health Protocol
- One employee, according to Mr. Honeycutt, had tested positive the previous week, but worked mostly independently in their office, so he was waiting to hear from the Health Department of reports of close contacts at the office
- Ethan Wilfore reported that if there was a big breakout of COVID in the market personnel, it would be tough, but they could flex employees from other markets to help

(1:02:06) 9:00 AM – UPDATE ON GOVERNOR’S OGSM STRATEGIC MANAGEMENT IN RELATIONSHIP TO BOL AND EXECUTIVE OFFICER STRATEGIC GOALS

Mike Honeycutt updated the BOL on the Governor’s OGSM (Objectives, Goals, Strategies and Measures) program, reporting that he had about a 45-minute meeting with him on the previous Monday:

- Mr. Honeycutt said that he reported to the Governor that the rerecord progress had gone flatline
- With it being so early in the fiscal year, Mr. Honeycutt said he didn’t have a lot of financial data to share with the Governor, but was able to tell him that the DOL spent less than our budget and collected more revenue than what was spent, meaning cash levels stayed constant
- Mr. Honeycutt said that the DOL was watching employee vacancies because those could give an indication of where the DOL may run into customer service trouble
- Two troubling areas with vacancies, he said, were the busiest areas of the DOL right now and those were at the Brands markets and in the Meat & Poultry Inspection Bureau
 - Some July-August Brands retirements were a challenge this year because the workflow had been so much more at the markets
 - The Feds were hiring more Federal Inspectors in Montana because of the new meat processing facilities coming online and some of the State Inspectors had left the DOL to take those Federal positions
 - The Bozeman-area Meat Inspector position was still vacant, Mr. Honeycutt thought because hiring at \$19-\$20/hour in that area was not an easy thing to do
- Mr. Honeycutt said he also shared with the Governor what was happening at the cattle markets, reporting to him that roughly 100,000 more head had been through the markets so far than in 2020
 - Mr. Honeycutt said those numbers impact per capita and other revenues long-term in the DOL
 - Also shared with the Governor, were the impacts the cattle sell-off could have on communities that depend on the cattle industry, lost revenues, lost services, such as veterinary services, etc.
 - Audits on local Inspectors and Markets might have to wait until November and December, until things start to slow down in the markets

- The situation with the DOL helicopter purchase looked to be on the move again as the Governor connected the DOL with the Billings Flying Service as a possible option of where to purchase one
- Mike Honeycutt reported to the Governor that the Livestock Loss Board was trying to get more ranchers to apply for available predator control grant money and that George Edwards and his board would be working to get that done
- Mr. Honeycutt was able to report to the Governor that the FSIS Meat Inspection audit was done, the CIS application was close to being mailed off, the Brands Policy Review Committee was starting to get some forward momentum and 26 DOL staff were recently trained and certified through the Command System 300

NEW BUSINESS

(1:14:50) 9:13 AM

(1:14:50) 9:13 AM – APPROVE RED TAPE REGULATORY REVIEW PROJECT PLAN AND TIMELINE

Mike Honeycutt explained that the Governor's Office had requested that each Department in the State do a top-to-bottom red tape regulatory review and he was asking the BOL to approve moving forward with that request:

- By August 30th, Mr. Honeycutt requested that all DOL statutes and rules be catalogued and grouped, identifying the criteria that would be used for reform and establish a future workflow and timeline
- Statutes and rules would be looked at by the BOL, by the DOL and hopefully, by stakeholders, as to whether or not they were excessive, were they redundant, were they outdated, were they still necessary
- The Red Tape review would be accomplished in phases, with statutory changes to be ready and put into the cycle for certification by the 2023 Legislature. Rule changes could be dealt with by the BOL
 - Mike Honeycutt said that the Economic Affairs Interim Committee had the power, regarding rule changes, to stop them and put them on hold until their next meeting where the DOL could discuss them with the Committee
 - Mr. Honeycutt pointed out to the BOL that during the last Legislative Session, the DOL was not allowed to do rules in the last quarter before the Session, starting in September
- The final list of changes were due to the Governor's office by February 15, 2022
- Brands Enforcement Division rules and statutes would be the first ones to tackle and Mr. Honeycutt requested that the stakeholder groups and the BOL come with questions for the next BOL meeting regarding the criteria sheet given to them for the proposed changes in that Division's rules and statutes
- Once those proposed changes were discussed and decided upon, the DOL staff would make those actual language changes and go through the rules process

MOTION/VOTE

(1:36:56) 9:51 AM

Alan Redfield moved to approve moving forward with the Red-Tape/Regulatory Rule and Statute Review Project Plan and Timeline. Jake Feddes seconded. The motion passed.

(1:37:50) 9:52 AM – DISCUSSION OF BLM ENVIRONMENTAL ASSESSMENT ON BISON GRAZING – POTENTIAL TO AUTHORIZE FORMAL COMMENTS FROM BOARD BY SEPTEMBER 30TH

Mike Honeycutt explained that since the last BOL meeting there was an Environmental Assessment done by BLM on some proposals by APR to make changes to grazing leases on BLM ground, and those proposed changes were out for public comment:

- The public comment deadline is September 30th and Mr. Honeycutt was looking for direction from the BOL on comments to be made by the DOL or if they wanted to make any at all
- Both Alan Redfield and Jake Feddes felt that comments needed to be made regarding the matter
- Jake Feddes said that the decision made with BLM could potentially extend beyond the APR and could affect cattle producers across the state because it would be the beginning of decisions that change the Taylor Grazing Act
- Greg Wichman said he agreed with Jake Feddes, adding that it was a slippery slope if the proposal were allowed to stand
- Gene Curry said because he doesn't have any Federal ground at all, he was going to reach out to people more closely impacted by the Federal and that he had already talked to people in NCBA about the situation

MOTION/VOTE

(1:39:14) 9:54 AM

Alan Redfield moved to authorize Mike Honeycutt to provide the formalized comments, with input from the BOL and have it into Mike Honeycutt's hands by September 15, 2021, on the BLM Environmental Assessment on bison grazing on public land. Jake Feddes seconded. The motion passed.

(1:47:34) 10:02 AM – DISCUSSION OF POTENTIAL FOR NEW SERVICES USDA MAY ALLOW STATE MEAT & POULTRY INSPECTION PROGRAMS TO PERFORM – POTENTIAL TO MAKE FORMAL COMMENTS TO USDA BY AUGUST 30TH

Mike Honeycutt reported that the USDA was looking for public comment, and especially from State Agencies, on how to spend \$500 million Federal dollars they received, earmarked for meat processing:

- Public comment on how to spend those USDA dollars was due by August 30, 2021 and Mr. Honeycutt was asking whether or not the BOL wanted to make comment, and, if so, what would those comments be
- Alan Redfield felt that the dollars should be spent to train Inspectors and even bring more inspectors on board
 - USDA Marketing Services was wanting to allow States to do carcass grading, according to Mr. Honeycutt, something that would be done

through our Meat & Poultry Inspection program. This would save small processors the \$114/hour fee charged by a private grader, because State programs, with properly trained staff, could probably do it at a much lower cost

- Jake Feddes said that most people that come into his shop don't care if meat was graded choice, but most of his customers want to be sure the meat was local
- Mike Honeycutt said that collecting a fee for carcass grading would add another fund source to the DOL
- With Sue Brown asking how the money could be divided, Mike Honeycutt said that as a state, he would not like to see the allocated dollar amounts get gobbled up by just a few people or states
 - The National Association of State Directors of Agriculture (NASDA), according to Mike Honeycutt, would like to see the \$500 million divided fairly among states, but want the states to have control over how it is dispersed
 - Jake Feddes said that if the DOL doesn't comment to have the money split evenly between the states, most of it would probably go somewhere else
 - Mr. Feddes also commented that the State needs to do a better job of going through applications and giving money to people who have projects that are ready to get started, not just hopeful projects that don't fit State Inspection criteria. He would like the money to go to existing infrastructure, and that would rule out new plants
 - The vetting process for who should get the money in each state, according to Jake Feddes, should be done by the Department of Agriculture, with oversight from the DOL
- Mr. Honeycutt said that depending on how much money was given to each plant in the state, if it were \$40,000 or \$50,000, that would not be enough to build a plant, but maybe just to increase capacity of an existing one
- Gene Curry said he would like to see some of the money be distributed to custom exempt facilities as well

MOTION/VOTE

(2:27:13) 10:42 AM

Alan Redfield moved to authorize Mike Honeycutt to formalize comments made by the BOL, and give them one last review of them, before submitting them to USDA, regarding how to distribute \$500 million grant dollars the USDA has earmarked for meat processing. Mr. Honeycutt will submit the comments to USDA by the August 30, 2021 deadline. Jake Feddes seconded. The motion passed.

(2:29:03) 10:44 AM – RECESS

(2:29:15) 10:59 AM – RECONVENE

ATTACHED BOARD REPORTS

(2:30:11) 11:00 AM

(2:30:11) 11:00 AM - LIVESTOCK LOSS BOARD (LLB)

(2:30:11) 11:00 AM – General Claims Numbers Update/General Updates

George Edwards reported that this looked to be a record-breaking year in losses and payouts for the Livestock Loss Board:

- Mr. Edwards said that 2019 had been the LLB's all-time highest payout year, paying out over \$260,000, but numbers were showing a significant increase in losses already for 2021
 - Mr. Edwards said he believed that there would be enough money to cover all claims but that there had been quite a few high-dollar claims paid out on registered animals in Madison County and a couple in Pondera County
- The LLB was working on a new process for grants, redesigning a new form, where the hope was to get ranchers more involved rather than just large NGOs
- Mr. Edwards said that he had a fair number of people who hadn't paid per capita, trending about the same number as in prior years, putting in claims, and primarily they are people with out-of-state SSN numbers
- A wolf pelt bill, passed by the Legislature in 2011 had not had a very large following, with a few collected in a couple years, but not one had been collected in probably eight years or more
 - Mr. Edwards explained that Wildlife Services had not had the opportunity to really gather any wolf carcasses in years to supply to the LLB
 - FWP would occasionally get a grizzly carcasses and give them to someone for education purposes, Mr. Edwards said
- Mr. Edwards explained his process for determining a value on cattle that had been lost due to predation
- Gene Curry pointed out that the number of claims on sheep and goats were basically the same as 2019, but, Mr. Edwards explained that those numbers would be climbing, as he was processing 12 more sheep losses that very day
- Powell County had the most cattle killed by predators so far this year and George Edwards explained that most of those kills occurred at one ranch that was hit by wolves. He said, though, that as summer progresses, in that same area, the grizzlies kills start occurring

(2:51:43) 11:21 AM – PREDATOR CONTROL

(2:49:00) 11:06 AM – Update on Activities of USDA Wildlife Services (Presented by Dalin Tidwell, Acting Montana State Director)

Dalin Tidwell, of USDA Wildlife Services, gave an update of their activities:

- Mr. Tidwell announced that he had been selected as the new Montana State Director for Wildlife Services, replacing John Steuber. He said he valued any input from the BOL that Wildlife Services needed to do to continue forward and be stronger
- A new helicopter pilot, Keith Olson, had been hired for the DOL's Helena helicopter and will start on September 12, 2021
 - Mr. Olson had a total overall time of helicopter of 3,335 hours with 2,000 of them designated as mountain flying time; he flew for the Montana Army National Guard as their test and instructor pilot for over six years, receiving high altitude training in Eagle Colorado; he had civilian experience with three different companies and has done low-level power line flying
- Dalin Tidwell reported on their Investigative Reports (IR) from field staff starting in October 2020 until now. He explained that each IR may have multiple head of livestock involved
 - Grizzly Bear – 131 IRs with 114 confirmed and 40 probable
 - Wolf – 84 IRs with 86 confirmed and 16 probable
 - Mountain Lion – 120 IRs with 121 confirmed and 21 probable
 - Black Bear – 20 IRs, with 58 confirmed and 55 probable
- Gene Curry said that he appreciated Mr. Tidwell explaining what confirmed and probable mean because he had spoken with producers who had a perception that reporting to Wildlife Services was a waste of time and that nobody gets money from the LLB, that the program was bogus
- Mr. Tidwell reported that he thought the Nevada GSA helicopter that the BOL was hoping to purchase, might not be available because they may be able to find enough funding to keep it
 - Brian Simonson said that with the Governor's lead regarding the Billings Flying Service, he last spoke with them on August 17, 2021 and they thought they had a 206 helicopter, similar to the one the DOL has in Billings, that they were trying to replace or not, possibly in six months and they have good sources they could contact for other possibilities
 - Mr. Simonson said that the \$300,000 that the DOL had for purchase of another helicopter didn't buy much of a helicopter on the market, so, to be ready for sticker shock when Billings Flying Services gets back to him
 - Mr. Honeycutt said that the DOL had cash, even if a helicopter cost \$800,000, but, they do not have authority to spend that amount
- Greg Wichman congratulated Dalin Tidwell on his appointment as Director and commended the hiring board for picking a very fine and qualified individual that he and the Montana Woolgrowers Association look forward to working with for a long time
- Dalin Tidwell put a plug in for the new staff they had hired, explaining that they are right in the thick of the grizzly bears, meeting every challenge and are very valuable

(3:30:53) 12:00 PM – LUNCH

(3:31:05) 12:33 PM – RECONVENE

BRANDS ENFORCEMENT DIVISION

(3:31:35) 12:33 PM

(3:31:42) 12:33 PM – RERECORD UPDATE

Ethan Wilfore reported that the rerecord was in a slow time during the Spring and Summer, but that he expected a rush towards the end of the year:

- Mr. Wilfore reported that 56% of the brands had been rerecorded in the state, with 31,000 of the 55,000 rerecorded so far
- A lot of applications for new brands had come in, but Cally Goyins, the Brand Recorder, was currently three weeks behind in processing them, having processed applications from August 4, 2021 just the day before
- Brand transfers were up significantly, just short of 1,300 so far this calendar year
- Regarding the returned mail from the very first rerecord mailing in December 2020, Mr. Wilfore said that their office was reaching out, mostly by phone, to try and contact those returns that hadn't been found as of yet
- A second notice postcard was scheduled to be sent out the following week
- Ethan Wilfore said that along with rerecord ads schedule to run on Northern Ag Network and wanting to reach out to run some as well on Western Ag Network, the plan was to run public notice announcements in newspapers, ads in the both the Stockgrowers Herd Book and Western Ag Reporter Herd Book. The plan was also to have a booth at the upcoming Farm Bureau Convention to talk about rerecord and even rerecord onsite

(3:41:17) 12:42 PM – REQUEST TO HIRE POSITIONS – Miles City Brands Inspector/Part-Time Lewistown Brands Inspector/District 17 District Investigator

Ethan Wilfore requested permission from the BOL to fill three vacant positions in the Brands Enforcement Division:

- A resignation in the Miles City market opened up a full-time Brands Inspector position there
- A retirement in the Lewistown market opened up a part-time Brands Inspector position there
- A retirement in District 17, Baker, opened up a full-time District Investigator position there

MOTION/VOTE

(3:42:22) 12:43 PM

Sue Brown moved to allow Ethan Wilfore to hire a Miles City Brands Inspector, a Part-Time Lewistown Brands Inspector and a District 17 District Investigator in the Brands Enforcement Division. Alan Redfield seconded. The motion passed.

(3:44:04) 12:45 PM – BOL Discussion Regarding Short-Time Workers

The BOL discussed short-time workers in the Brands Enforcement Division:

- Concern was raised by Nina Baucus that short-time workers now being utilized in the Brands Enforcement Division before the normal Fall Run period would run out of their 90-days in a 12-month period allotted in statute and need to be replaced by other workers
- Ethan Wilfore explained that the short-time workers work at the most 2 days/week during sale season, but those days are long, and so, during the season, those 90 days suffice
- Some short-time workers had helped work in some vacant positions as well, when needed
- Mike Honeycutt explained that Supervisors had to be very careful in choosing which days the short-time workers work, conserving days and bringing those workers in when they can get the most bang out of their buck

(3:48:38) 12:49 PM– BRAND POLICY REVIEW UPDATE

Mike Honeycutt reported that he sent out communication to the Brand Policy Organization members and had heard from all but three of them:

- Mr. Honeycutt said in his communication, he asked what dates in September they could not attend a meeting because the plan is that the group would probably be scheduled to meet the last half of September
 - When it comes to the Brands Policy review, Mr. Honeycutt said that no policy changes would be made until after rerecord is done, after January 1, 2022 and BOL members agreed to a January/February timeline to have it wrapped up and figured out
- Mr. Honeycutt said that because the Organization was ad hoc, not a committee or a commission, he did not know if the DOL could cover expenses on that, even though the DOL was trying to minimize the costs of the individuals as much as possible
- Both Gene Curry and Jake Feddes had received a letter from the Governor, and a copy of the Brands policy to review before the meeting
- Mr. Honeycutt explained that the Brand Policy Review was part of Red Tape, looking at the program policy to see if there was any way it could be changed to make more brands available to producers. The last time it was done, holistically, was at least 10 years ago or more
- Legislation that would codify a way of doing conflict checks made the DOL uncomfortable because having that in law would mean that it could only be dealt with every two years by the Legislature, and Mr. Honeycutt said that the way brands are recorded and how conflict checks are done should be left in the hands of the BOL
- Two Legislators that were part of the Brand Policy Organization were part of the Oversight Committee

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS

(3:58:08) 12:59 PM

(3:59:45) 1:02 PM - ANIMAL HEALTH BUREAU

Dr. Tahnee said that there were relatively brief items that she would be reporting on today

(3:59:45) 1:02 PM – Request to Purchase FY22 Trich Tags

Dr. Tahnee Szymanski explained that Animal Health keeps a supply of Trich tags on hand to fill veterinarian requests and that she was requesting the BOL approve the purchase of the FY22 Trich tags:

- Cost of the Trich tags is \$1.41 and Animal Health charges veterinarians \$1.67, with an added increase in price for processing and handling. Around 5,000 tags were issued each year, according to Dr. Szymanski
- There were seven colors of Trich tags, that change each September 1st. The color being requested to order for FY22 was white

MOTION/VOTE

(4:02:18) 1:04 PM

Nina Baucus moved to allow the Animal Health Bureau to purchase their supply of FY2022 white Trichomoniasis tags. Jake Feddes seconded. The motion passed.

(4:02:51) 1:04 PM – NADPRP 2021 Grant Application

Dr. Tahnee Szymanski reported that Dr. Forseth in the Animal Health Bureau had submitted another grant application to the Department of Homeland Security to help advance Emergency Preparedness within the state:

- Dr. Szymanski explained that in previous years, grants had been received from Homeland Security for Emergency Preparedness
 - One grant allowed the purchase of captive bolt guns for euthanasia and for hands-on training with the guns
 - Another grant was focused on the biosecurity recommendations of the secure beef supply, with a secure beef supply tabletop exercise to be held before the end of the year
- The current grant application, submitted by Dr. Forseth, was focused on trying to establish conversations and work with markets in case of a national breakout of a disease like FMD that would require stop movement orders
 - Dr. Szymanski said one of the reasons to have conversations with markets in the case of stop movement orders was to discuss who pays for the feed, water and staffing to care for animals that aren't allowed to be moved
 - If the Canadian border were shut down because of a USDA stop movement order, Mike Honeycutt pointed out that there were no market facilities at Coutts or Shelby for those Canadian drivers moving down I-15
- Dr. Szymanski said that emergency preparedness had been in the DOL's conversation for about 12-13 years, but that the ARMAR exercise held about

three years ago, opened up a lot of discussion in the Animal Health Bureau about 72-hour stop movement orders

- Dr. Szymanski said there were cattle, sheep and pigs being hauled by truck and the sheer volume of trucks hauling those animals at any one time made it complicated, but, for the Animal Health Bureau, it was an ongoing process and they were slowly working their way through it
- In the ICS training, just completed by several DOL employees, there was conversation about identifying public lands within counties or the region to offload animals if needed in an emergency
- Mike Honeycutt explained that to stop the disease, you stop the animal movement, but, eventually, the animals need to move again so it doesn't kill the industry
- Dr. Szymanski briefed the BOL on the three-day ICS-300 training just completed by some DOL employees
 - Dr. Forseth worked with EES staff to build the training which was focused around some sort of natural disaster, or specifically fire incidents
 - A hot wash was planned to be held in the next week or two, with all participants of the ICS-300 training and Dr. Szymanski offered to bring back to the BOL a "next" list of where to go next with emergency preparedness from participants
- With a detection of African Swine Fever (ASF) in the Dominican Republic, Dr. Szymanski said that there had been increased discussion and concern about it being introduced into Puerto Rico and the US Territories. This was the first time in 40 years that it had been in the Western Hemisphere
 - Dr. Szymanski said that ASF was highly contagious, very easily spread and very well-survived in the environment with positive animals and cured meat being a contaminant. People can carry it on clothing, boots, and their hands

(4:24:50) 1:26 PM – General Bureau Updates

Dr. Tahnee Szymanski reported on a potential TB trace that the Animal Health Bureau had been notified of within the past two weeks:

- The USDA National Veterinary Services Lab (NVSL) in Ames, Iowa notified the Animal Health Bureau that an animal slaughtered in Minnesota had lesions consistent with bovine TB and that the adult cow was sold through a Montana livestock market direct from the farm of origin
- Utilizing tags collected, Dr. Szymanski said that the Montana farm of origin was identified, the owner notified and now they were awaiting additional test results from NVSL
- Dr. Szymanski explained that even if there was a negative classification from the test, there would be a whole herd test conducted. If the cow was classified as a TB reactor, the herd would be placed on quarantine and go through a series of tests to see if there was additional TB in the herd
 - If the herd was quarantined, two negative whole herd tests would be required, that have to be at least 60 days apart. If no additional reactor

animals were found and no more evidence of bovine TB found, the quarantine could be done in 90-120 days

- Because TB was a very slow-growing organism, culture tests could take 8-10 weeks until it could be called negative, taking a negative classification on that animal into October
- Dr. Szymanski said the owner of the animal had agreed to having the first test done when they do pregnancy testing, probably sometime in September, but, because USDA recommends not testing around calving time because of immune system changes in the animal they will wait on the second test
- The Animal Health Bureau, even though it was not necessary or required, had started tracing where past animal movements had gone from the property because, should it be confirmed that TB was found in the herd, they would be required to follow every movement for the past five years

(4:35:30) 1:36 PM – MILK & EGG BUREAU

(4:36:05) 1:37 PM – Proposed Rule Changes

Dr. Marty Zaluski said that he was seeking BOL approval to publish proposed changes in two rules:

- **(4:36:05) 1:37 PM – ARM 32.8.101, Definitions and Adoption of Grade A Pasteurized Milk Ordinance and Associated Documents**
 - One change requested would update current references to reference documents in the 2019 versions, used by the Milk & Egg Program
 - A statement would also be added to the rule, based on legal recommendation, that those regulations don't apply to small dairies, but are defined by SB199
 - Mike Honeycutt pointed out that regarding the exemption of small dairies in the proposed rule change, if that doesn't change, the DOL rules would not be in congruence with the statute and so, he hoped that the rule change would go through
 - Sue Brown added that the addition of that statement also covered the DOL, because it removed them from really being in with the raw milk dairies

MOTION/VOTE

(4:37:48) 1:39 PM

Alan Redfield moved to publish proposed rule changes in ARM 32.8.101 - Definitions and Adoption of Grade A Pasteurized Milk Ordinance and Associated Documents, to open them up for public comment, as presented by Dr. Marty Zaluski. Nina Baucus seconded. The motion passed.

- **(4:36:05) 1:37 PM – ARM 32.8.202 (1), Time From Processing That Fluid Milk May Be Sold For Public Consumption**

- The proposed rule change would be to the 12-Day Rule that would still require a unit of milk sold as packaged to be sold within 12 days after pasteurization, but allow donated milk and unit milk to be sold beyond that time
- Dr. Marty Zaluski explained that the proposal is to change the language so that milk sold as packaged on the shelves is still subject to the 12-day rule, but that Food Banks, restaurants and coffee shops, could offer their product beyond that period of time
- Mike Honeycutt explained that just like a person buying milk and taking it home was considered an end consumer, the restaurants and coffee shops were considered end consumers as well. Those buying a carton or jug of milk from the store shelf are considered a consumer
- According to Mr. Honeycutt, a lot of states have a 19-21 day after pasteurization date on their product, because after 21 days, the proteins in the milk start to degrade. He added that Montana's 12-day rule enforces that when you buy milk at a grocery store, there was a good time period of freshness and quality of the product before it started to degrade

MOTION/VOTE

(4:54:51) 1:56 PM

Sue Brown moved to publish proposed rule changes for public comment in ARM 32.8.202 (1)-Time From Processing That Fluid Milk May Be Sold For Public Consumption, as presented by Dr. Marty Zaluski. Alan Redfield seconded. The motion passed.

(4:55:28) 1:56 PM – General Updates

Dr. Marty Zaluski reported that Darcy Alm and the Sanitarians are working on a whole new set of rules for Grade B producers:

- Dr. Zaluski explained that the Grade A producers were governed by the pasteurized milk ordinances, the national standards
- If a milk product is Grade B, it cannot be sold as fluid milk, and was generally sold as cheese and those types of things. According to Dr. Zaluski, they fall under a second tier of regulation

(4:56:40) 1:58 PM – UEP Auditor Training Update

Dr. Marty Zaluski reported that training efforts are continuing in the Milk & Egg Bureau:

- Alex Dachs, who had been with the DOL for about 4-5 years, according to Dr. Zaluski, would be attending both United Egg Producers (UEP) training and State Ratings Officer (SRO) training
 - UEP training is training addressing a welfare standard negotiated between egg producers and some welfare advocates
 - SRO training would allow Mr. Dachs to do the once every other year inspections and certifications of dairy facilities that allow dairies to ship milk in the state

- The current training for SRO would just be for milk production facilities. So, Mr. Dachs would still need to go through more training to inspect processing facilities

(4:59:02) 2:00 PM – MEAT & POULTRY INSPECTION BUREAU

(4:59:30) 2:00 PM – Federal On-Site Audit

Gary Hamel reported on the recent Onsite Audit:

- Mr. Hamel said that FSIS performed an onsite review of the Montana headquarters office in seven State-inspected establishments and conducted a targeted review of the Bureau's ability to inspect and apply regulation to custom-exempt operations as well as how the Bureau regulates under SB199
- Mr. Hamel said he had complete confidence that Montana would meet their "at-least-equal-to standard"
- Mr. Hamel thanked and recognized staff for focusing on areas of concern and following up on issues and answering a barrage of questions from auditors
- Mr. Hamel said that in the inspection component of the audit, there were items identified at two establishments, some which had been noted before by Meat & Poultry Inspectors
- Also noted at two establishments, the auditors identified that there were some labeling and marking on containers that were not being met
- In the slaughter and processing operations, in the circuit the auditors noted that at one establishment, the final wash of the carcass should take place after examining the carcass for feces not before
- Mr. Hamel reported that at three establishments, the auditors identified non-conformity in Inspectors monitoring the frequency of an establishment to do two tests
- The auditors also raised issue with the Compliance Investigators regarding them maintaining a complete list of establishments that would be eligible for target risk-based surveillance activities. It was explained to the auditors that the Bureau is currently utilizing an Excel file as a placeholder until the transition was made to the USAHerds system
- It was recommended to the Bureau that while one particular establishment was under construction, that monitoring and additional Listeria sampling be done above the testing required until the construction was completed
- Regarding the targeted review done in accordance with SB199, at one custom-exempt establishment, there was a hog carcass found in the cooler at the location that had died of unknown causes, prior to being processed and also numerous turkey carcasses that had no mark of inspection or other required labeling features that were found in the freezer at the location as well
 - The plant owner decided to voluntarily destroy those products so they were no longer an issue
 - Gary Hamel noted that State law exempts custom-exempt operations from critical regulations, eliminating them from having to follow administrative rules. But, for the Meat & Poultry Inspection Program for Montana, they regulate custom-exempts according to FSIS/USDA standards

- Mr. Hamel said, the audit was a good audit and that they were currently working in their office to respond to each of the findings and write up a corrective action plan. He said that although there were some issues, they were not significant enough for the Federal/State Audit Branch to plan a return visit to follow up on the issues
- Dr. Zaluski pointed out that if a State Inspector identified an issue prior to FSIS identifying an issue, then it is not a non-conformity and is not an oversight on the program
- Mr. Honeycutt reminded the BOL that in a previous audit, there were five recalls that occurred, a temporary suspension of all jerky processing and manufacturing in the state and litigation that came after that, issues so serious that the auditors had to call them out
- The audit, according to Mr. Honeycutt, was to evaluate the Meat & Poultry Inspection program, and so, some of the issues found at establishments were recognized by staff and effectively dealt with, making it not a significant finding for the program, although the individual owners of those establishments obviously got notice of things they needed to deal with
- Jake Feddes said he got the opportunity to meet the FSIS auditors that came and they seemed relatively pleased with Montana's inspection program. He added that the BOL should applaud Dr. Zaluski, Gary Hamel and Mike Honeycutt for the job they've done for Montana's Meat & Poultry Inspection program

(5:22:55) 2:23 PM – Cooperative Interstate Shipment Program (CIS)

Gary Hamel gave an update on the Cooperative Interstate Shipment Program:

- Gary Hamel reported that the CIS application was in process, the final letter of application was being developed and that he anticipated routing it through staff by the end of the week to review it for edits. A draft would be given to Dr. Zaluski for his review
- Mr. Hamel explained that the CIS application looked at different components
 - Legal authority
 - Does the Meat & Poultry Inspection Bureau have the authority to carry out a "same-as" program
 - Administrative rules
 - Has the Meat & Poultry Inspection Bureau program adopted the applicable code of Federal regulation
 - Computer system and forms used
 - Does the Meat & Poultry Inspection Bureau use the same forms FSIS does
 - The Public Health Information System is currently utilized by Montana
 - Laboratory services
 - The State Public Health Lab is not ISO 17025 accredited, a requirement of the Federal program through USDA. Because of that, Montana will have to partner with other State labs
 - Can the Meat and Poultry Inspection Bureau schedule and assign Inspectors to plants and fulfill all the inspection requirements of those

plants – this, according to Mr. Hamel is something to be addressed by his Bureau

- All Inspectors, Supervisors, Compliance Investigators and Label Specialist must be trained through the Federal system
- Mike Honeycutt said that with 10 or 11 states already in the CIS program, they are using labs and so there should be resources out there for an ISO 17025 accredited lab
 - Dr. Zaluski said that in theory, the VDL could provide the lab service required for the CIS program, but, there was not room for it in the current lab
- The reason Montana is doing an application for the CIS program, Mr. Honeycutt said, is because there was a \$200,000 appropriation put into the DOL budget to do that to help expand marketing opportunities for meat and shipping it across state lines
- Mr. Honeycutt explained that the CIS level inspection has to be at the “same as” level of Federal Inspection, same sampling, same technique

(5:34:14) 2:35 PM – RECESS

(5:34:23) 2:50 PM – RECONVENE

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS (Continued)

(5:34:27) 2:50 PM

(5:34:43) 2:50 PM – VETERINARY DIAGNOSTIC LABORATORY

Greg Juda, Director of the Montana Veterinary Diagnostic Lab in Bozeman, introduced himself to the BOL and said he had three agenda items to present to the BOL:

(5:35:24) 2:51 PM – Update on Hiring of Milk Lab Microbiologist Position

Greg Juda gave an update on the hiring of a Milk Lab Microbiologist technician:

- Dr. Juda reported that there were seven interviews conducted for the position, but, the one hired had direct experience in the Quality Assurance testing on milk
- Gloria had been working in Africa at a University there and began working at the Milk Lab the previous Monday

(5:36:54) 2:53 PM – NAHLN Infrastructure II Cooperative Agreement Financial Plan for FY21-FY22

Dr. Greg Juda reported that NAHLN informed them a few weeks back that they were providing additional funding to help mitigate the impacts of COVID on NAHLN-member labs that occurred during the pandemic:

- The funding cycle is scheduled to begin on September 1, 2021, with Level II Laboratories receiving \$187,200 that can be used for any NAHLN-eligible expenses
- Dr. Juda provided the BOL with a breakdown of how he would like to see those funds divided for use at the VDL

- Training expenses for individuals in the Molecular Diagnostics and Microbiology Labs
- Equipment expenses
- A KingFisher Apex extraction unit which would replace two extraction units that will be sunset by their company soon
- An automated liquid-handling robot
- Update the multi-headed Pathology microscope
- Possibly fund some equipment preventative maintenance agreements
- Continual improvements to the LIMS system
- Dr. Juda explained that there were not matching funds required for the monies, that it was essentially offered as “use-it or lose-it” funding

(5:48:10) 3:04 PM – BOL Discussion Regarding New MVDL

The BOL had a general discussion about the new MVDL:

- Mike Honeycutt said that there was not groundbreaking date set yet because the \$26 million of expenses for the DOL’s portion of the new Lab had not been determined as of yet, and that the funds that were currently being used for start-up on the new Lab are from the Department of Ag’s \$9 million portion that came from HB14
 - The DOL portion of the new Lab was approved for \$26 million funding by the 2021 Legislature by either HB14 or ARPA Federal funds. Brian Simonson said that until that funding source was determined, Architects & Engineering (A&E) would not be engaging in the negotiation about the real estate for the building
 - Mike Honeycutt reported that A&E said the last time they were in conversations with MSU and there was some land for the new Lab, but they could not tell us where that land was going to be
- Mike Honeycutt said that when the numbers were figured for the cost of the new Lab, anticipated construction costs for into the future were factored into the numbers, an inflationary adjustment of 4%
- Blueprints had not been done as of yet, because the site of the new Lab had not been determined
- A&E, according to Mike Honeycutt, was in charge of the project, not the DOL, as it was part of the State infrastructure plan, as a State of Montana building
 - Brian Simonson said that he didn’t think that for architects like LPW, the new Lab was their next thing, he said the next thing was everything in ARPA
 - Mike Honeycutt said that the new Lab project was seeded by years of previous work by the Legislature and other study committees and with a design and an architecture firm in place, he felt that the DOL was way ahead of other infrastructure plans
- Dr. Juda assured the BOL that the AAVLD Committee was understanding of the process that State Labs have to work through to get one completed and so he felt the MVDL was on good sod with accreditation from them

(6:01:34) 3:14 PM – NAHLN Farm Bill Grant Submission

Dr. Greg Juda reported that a grant submission was submitted on August 6, 2021 for a USDA Farm Bill grant that was being offered:

- Dr. Juda said that the MVDL submitted a grant for the NAHLN opportunity portion of the grant and that there were \$5 million in funds available to states
- Dr. Juda said that he had noticed that in 2020, Alabama's VDL was successful in getting NAHLN/Farm Bill funding for a multi-mass spectrometer, an instrument for microbial identification
- Montana was one of the few State Labs in the country that does not have one of these pieces of equipment, according to Dr. Juda, but, that had been because the technology had been so expensive
- Dr. Juda said that with Alabama being successful in acquiring the funding for the multi-mass spectrometer, that the MVDL would put in a grant submission for one as well.
- In 2020, Dr. Juda told the BOL that the MVDL was successful in a joint proposal for those funds with the University of South Dakota and the University of Illinois to enhance their LIMS systems
- Also added to the 2021 NAHLN/Farm Bill grant request was preventative maintenance for the multi-mass spectrometer for one year, which was \$22,300, an expense that would need to be covered in future years with the MVDL operational budget. He said that the company offered the MVDL a 15% discount on the cost if a 3-year contract was signed
- Total ask on this grant, according to Dr. Juda, was \$259,250
- Dr. Juda reported that one of the Microbiology technicians at the MVDL, Daniel Arenas had a Masters in operating multi-mass spectrometers
- In studying return of investment on the multi-mass spectrometer, Dr. Juda said that the University of North Carolina reported that with the volume of testing that they did, they were able to get return of investment from the machine in four years. He added that the turnaround time for doing classic plating and Microbiology for isolation is significant
 - Although Dr. Juda does not feel there was going to be a huge amount of business captured by this equipment, telling clients about the MVDL having the latest and the greatest technology and able to perform faster turnaround time was a powerful message
- Dr. Zaluski said that a few weeks ago when there was a case of a dead cow found on new pasture, there was concern about anthrax. It took 4 days with the MVDL's current equipment and methods to find out it was anthrax negative. Having the multi-mass spectrometer and its shorter turnaround time would be a game changer

CENTRALIZED SERVICES DIVISION REPORTS

(6:16:43) 3:29 PM

(6:16:43) 3:29 PM – FISCAL BUREAU

Brian Simonson, Deputy Executive Officer, CFO, Centralized Services, said that he had three agenda items:

(6:17:02) 3:29 PM – Predator Control Aerial Hunting Allocations

Brian Simonson explained to the BOL about the annual Predator Control allotments to three Montana counties that do not participate in Wildlife Services:

- The three counties who receive Predator Control payments, based on their per capita payments, were Carter County, Powder River County and Richland County
- Mr. Simonson explained that \$425,000 was allocated per year to Predator Control for coyotes, red fox, etc. and, after helicopter insurance was taken out of that money a percentage of what is left was paid to those counties who opt out of having Wildlife Services deal with those predators
 - The amount left for Wildlife Services was \$369,947
 - This year the amount to be divided up between the counties was \$36,295
- Mike Honeycutt explained that the DOL had been allowed to keep up to \$2,500 of one-time-only license fees from the aerial hunters that the DOL permits. In 2019, Legislation came out to be able to send some of those license fees to Wildlife Services to be an acceptable expense

MOTION/VOTE

(6:20:17) 3:32 PM

Alan Redfield moved that Centralized Services be allowed to pay the \$369,947 contract fees to Wildlife Services and the \$36,947 to the three non-participating counties, as well, as presented by Brian Simonson. Nina Baucus seconded. The motion passed.

- Mr. Simonson said that the DOL had communicated to Wildlife Services that a \$98,258.84 FWP Wolf Mitigation payment would be transitioned to them

(6:23:31) 3:35 PM – June 30, 2021 State Special Revenue Report

Brian Simonson reported that the June 30, 2021 State Special Revenue Report hadn't changed much from the previous BOL meeting:

- The report was the close-out report for the fiscal year, and Mr. Simonson said that the same kind of trend was occurring here that only the Milk Inspection was the real negative number in revenue compared to last year
- Mr. Simonson said that new brands and transfers were contributing to the \$265,691 year-over-year comparison
- The market, according to Mr. Simonson, had a corresponding jump of \$171,000 year-over-year comparison
- Mr. Simonson reported that per capita fee, along with the indirect cost recovery was \$5.8 million at the end of 2021, \$800,000 over what was budgeted
- Brands had been putting about \$500,000 into reserve and that should increase with what was being charged for rerecord, Mr. Simonson said
- With the loss of seven dairies last year and the number of Montana dairies down to 46, the corresponding year-over-year comparison was \$14,000 less in Milk Inspection

- Mr. Simonson said he projects that in two or three years, the revenues in Milk Inspection would not meet the expenses
- Mike Honeycutt said that there were two vacancies that had not been filled in Milk Inspection, but that Montana had lost 20% to 30% of the dairies from five years ago and that the FTE count should be doing the same thing
- Mr. Honeycutt explained that there were not many outliers, with the dairies all in Bozeman, Kalispell and Great Falls and the major processing plants in Bozeman, Great Falls and Billings, and that make it much easier for inspection purposes
- Sue Brown cautioned raising the minimum costs to dairies because more people would be going out of business if the DOL did that
- For Egg Grading, Mr. Simonson explained that Federal pricing was increased, and so the year-over-year numbers had to be adjusted, but they were doing fine
- At the VDL, revenues had gone up, but with the \$320,000 increase in expenses due to the increased CWD and Brucella testing, the increased revenue numbers were a bit deceiving, but still on the plus side
- Dr. Zaluski pointed out that the majority of the profit shown was consumed with the additional supply costs

(6:36:32) 3:48 PM – End-of-Fiscal-Year Budget Comparison Report

Brian Simonson explained that the DOL Budget Comparison report was an end-of-year report, so projection pages were removed:

- Mr. Simson said that the month of August was a month where the DOL was starting to build the standard budget, and even though they were a little behind, they were tracking
 - Mr. Simonson explained that the budget was not written for a COVID-type environment with less travel, etc. than a normal year, so they would have to go back to 2019 to find a normal year to talk about
 - Mr. Honeycutt said that there was about \$112,000 of the travel budget left because people didn't travel anywhere during a COVID year
- With more employment and fuller services, Mr. Simonson said that the DOL spent \$663,000 more than in FY20, but still had a million dollars of excess authority at the end of the year
 - Both fee increases and authority increases that go with the increased Lab fees created about \$778K of extra authority we're going to carry forward and the \$400K we get at the last minute for proprietary funds
 - When the DOL changed from five Bureaus to three Bureaus, Mr. Simonson explained that it created a pool of programs that allowed them to help each other and make the programs more positive
- The Centralized Services Division showed that they're \$359,000 positive in authority until the end of the year and Brands showed a little over \$100,000 of authority, about half of the million dollars of excess authority that will be carryforward taken into next year

- Mike said that before any authority is appropriated for the helicopter, to make sure that Legislative Finance was informed what the DOL was doing, because they appropriated \$300,000 for the helicopter
- Brian Simson said that Evan Waters' figures for 2021 carryforward were \$113,770 and 2020 carryforward left over was \$98,955, just over \$200,000 that could be married with the \$300,000 already appropriated for the helicopter, if needed
- Mr. Honeycutt explained that the problem with the Meat & Poultry program contextually was that they have budgetary problems and it was an easy sell because everybody wants to support that program in the Legislative hearings, but, because they are funded by general fund, that usually tempers the excitement about adding new FTEs
- Mr. Simonson reported that for DSA testing, year-over-year numbers show \$293,342 down for 2020 but have come back to spending what they asked for from the Legislature
 - The Federal Grants Manager accountant was lost early on in the last fiscal year and Mr. Simonson said, it was not surprising to him the amount of authority in the Federal program at the end of the year
- Evan Waters showed that \$39,000 of carryforward was put into the Meat & Poultry Inspection Program \$32,000 in license revenues and \$7,000 in general fund. Also, general fund budget was increased by \$221,000 with a budget transfer from the VDL, which was replaced with other State Special Revenue authority
- Mike Honeycutt spoke about some Legislative Budget Committee members who told him that the DSA was a rancher problem, and they should pay for it, but when he pointed out the threat Brucellosis had on the public, he said the principal argument was that the general taxpayers should pay for it
 - Mr. Honeycutt added that the VDL was doing public health surveillance and so the general taxpayers should have some skin in the game and not ask ranchers through per capita fees to foot the entire bill of that
- Mr. Simonson explained that the ending amount of authority under VDL Fees was \$1.6 million, based on the amount of revenue generated, but that figure would go back to \$1.196 million
 - Mr. Honeycutt explained that the VDL is on proprietary fund is enterprise, so it was not bound. He added that because brands rerecord fees were increased, if the DOL rerecorded all brands, there would be about twice the amount of rerecord revenue than the previous decade, which would help stave off disaster if cattle numbers came way down
- Dalin Tidwell of Wildlife Services announced to the DOL that he had just received an email stating that the Nevada helicopter the DOL had hoped to purchase might still be in play

**COMMENTS FROM THE PUBLIC ON NON-AGENDA
ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS**

(7:11:12) 4:23 PM

Gene Curry said that there was only one person left for public comment:

- Rachel Cone from the Montana Farm Bureau Federal expressed her appreciation for allowing her to sit in on the BOL meeting.
- Ms. Cone invited the BOL to their annual convention in Billings on November 8-11, 2021
- Ms. Cone said that on October 15-17, 2021, the MFBF was going to be having what used to be called YALC, Young Ag Leadership Conference, but, this year, it would be called the Young Farmer and Rancher Leadership Conference, to include both young farmers and ranchers

SET DATE FOR THE NEXT BOARD MEETING

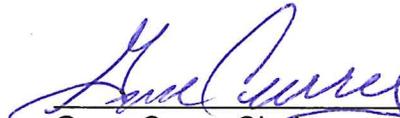
(7:13:23) 4:25 PM

Gene Curry requested that BOL members get out their calendars to decide on the date for the next BOL meeting:

- Nina Baucus requested that the next BOL meeting be on September 20, 2021, as she would be “out-of-pocket” after that date
- Jake Feddes said that his son’s football games were on Mondays, but that he could leave on time to get to it
- Sue Brown said that Mondays were very busy for her
- There was a Veteran’s Day holiday also in September
- The next BOL meeting was scheduled for Monday, September 20, 2021

MEETING ADJOURNED

(7:20:11) 4:32 PM


Gene Curry, Chairman