



Montana Board of Livestock Meeting Minutes

(This Meeting was Virtual to the Public)

September 20, 2021

MT Department of Livestock Board Room #319
301 N. Roberts, Helena, Montana

Board Members Present

Gene Curry, Chairman (cattle producer)

Alan Redfield (cattle producer)

Jake Feddes (cattle producer)

Ed Waldner (swine producer)

Greg Wichman (sheep producer)

Nina Baucus (cattle producer)

(Sue Brown was not present. Alan Redfield attended the meeting virtually.)

Staff Present

Mike Honeycutt, EO

Brian Simonson, Deputy 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

Donna Wilham, Adm. Assistant to EO

Dr. Marty Zaluski, State Veterinarian

Dr. Tahnee Szymanski, Animal Health

Dr. Gregory Juda, MT VDL Director

Dr. Anna Forseth, Animal Health Bureau

Gary Hamel, Meat & Poultry Inspection

Ethan Wilfore, Brands Administrator

Ty Thomas, Brands Asst. Administrator

Public Present

Rachel Cone, MT Farm Bureau Federation

Jenny Bloomquist, MVMA

Dalin Tidwell, USDA Wildlife Services

Rachel Prevost, MFU

Justin Mauler

I Elder Mauler

Jay Bodner, MSGA

Kim Ashmore

MEETING CALLED TO ORDER

(0:14) 8:15 AM

Chairman Gene Curry called the meeting to order at 8:15 AM

CALL TO ORDER AND BOL ROLL CALL

(0:14) 8:15 AM

Chairman Gene Curry apologized for the later start of the BOL meeting, saying there were technical difficulties. He called for BOL member introductions and comments:

- Sue Brown was not present at the meeting

- Nina Baucus, Cattle Representative from Wolf Creek, reported that she was excited because they had gotten their last bale off the field and that rain was coming in
 - Ms. Baucus said that a black bear, earlier in the week, had tried to tear into the herder's camp while he was in it and that the guard dogs had taken care of the situation
- Ed Waldner, Swine Representative from Chester commented that milk prices were holding up fairly well
 - Mr. Waldner said that they were through harvesting and were ready to chop corn for silage
- Jake Feddes, Cattle Representative from Manhattan, reported that the Spanish Peaks were covered with snow the previous morning and with winter coming, he was hoping it brought a lot of moisture
 - Mr. Feddes said they were weaning calves and started shipping calves, which were light this year
- Greg Wichman, Sheep Representative from Hilger, reported that they had a phenomenal ram sale the previous week, averaging \$1,843 on just short of 300 head of rams
 - Mr. Wichman said that they had enough rain to green some things up, but that they could use more
- Gene Curry, Cattle Representative from Valier, reported that they had rain about 2-3 weeks ago that greened things up and that both Pondera County and Teton County had received a couple little timely rains
 - Mr. Curry said they would be shipping yearlings that week and he was sure they were going to be light
 - Mr. Curry said that he was still harvesting and had some irrigating left

BOARD APPROVAL OF BOL MEETING MINUTES

(4:41) 8:18 AM

Gene Curry said that the minutes from the previous BOL meeting were not ready for approval yet

- He reported that Donna Wilham and some BOL members had been down with COVID, but were back again

OLD BUSINESS

(5:08) 8:19 AM

(5:13) 8:19 AM – UPDATE ON GOVERNOR'S OGSM STRATEGIC MANAGEMENT IN RELATIONSHIP TO BOL AND EXECUTIVE OFFICER STRATEGIC GOALS

Mike Honeycutt reported that most everything he would be reporting to the Governor at his next Ops meeting on September 22, 2021 was in the green:

- The DOL was maintaining its USDA certification for a State-inspected program as the Federal audit corrective action had been submitted and it was expected to

have a “meets or Exceeds” designation for the Meat & Poultry Inspection Program moving forward

- The Cooperative Interstate Shippers (CIS) application had been submitted, with the USDA already reaching back to the DOL saying they would start their review within the next few weeks
- Part of the Red Tape regulatory changes would be addressing the milk dating issue, Mr. Honeycutt said, as they had been raised by Legislators at the Governor’s office
- Mr. Honeycutt said that he had hoped to change the DSA compliance issue from red to yellow or green before his meeting on the 22nd
- The Brands rerecord was currently in yellow because they are a few percentage points behind where the DOL would like them to be in rerecords at this time
- The Livestock Informational and Inspector audits on September 13th should be getting started once the animals moving around begin to slow down
- There was a change on the helicopter that had been in yellow and red for a couple months, but was now green because of word from USDA that they want to sell their helicopter that has been sitting in Utah to the DOL
- The DOL will be doing a tabletop exercise simulating and FMD outbreak on December 16, 2021. Mr. Honeycutt said that both the BOL and stakeholders would be invited to attend that
- The financial dashboard, according to Mr. Honeycutt looks good because the DOL is not spending more than the budget and cash is holding strong
- Vacancies show better this month, a concern because of the customer service aspect
- Meat & Poultry Inspection continue to be a little under-staffed, according to Mr. Honeycutt
- Regarding cattle movement, Mr. Honeycutt said the DOL through September was typically where they would be in October
 - Jake Feddes commented that most producers would be up 25%, some even 30% on their herd culling this year, selling cows to buy hay for the rest of the calves. He added though that price outlooks and indicators are that the cattle business would be a pretty good business if we hold on
 - Mr. Feddes said he had seen quite a few loads of bred females and replacement heifers go to Texas, Oklahoma and Kansas, where they got a lot of rain
- Mr. Honeycutt reminded the BOL that the report he gives to the Governor on September 22nd was for the DOL’s horizon through December and so at a November or December, they would be looking at what to do for the next 6-12 months in 2022

(14:53) 8:29 AM – DISCUSS AND DETERMINE RED TAPE RELIEF PRIORITIZATION OF NEEDED ACTION FOR MCA 81 CHAPTER 3 and ARM 32.18 DEADLINE WITH LIVESTOCK MARKS AND BRANDS

Mike Honeycutt explained to the BOL that this first Red Tape Review would cover statutes and rules from the Brands Enforcement Division that Ethan Wilfore designated as high, medium or eliminate and that the BOL would be asked to provide their input on those as well:

STATUTES (Mr. Wilfore said he had designated all statutes he chose to review as “medium”)

- 81-3-107 - *Fees for Department, Deposit Requirements*
 - Brand history and brand research were done by the Montana Historical Society, and so Mr. Wilfore felt the note in the statute about brand histories could be removed
- 81-3-203 – *Duties of State Stock Inspectors and Deputy State Stock Inspectors*
 - As the DOL moved toward more electronic inspections, Mr. Wilfore thought the Certificate of Inspection being required to be made in triplicate could be a hanging piece
 - Gene Curry said that the BOL should brainstorm as to language clarifying how the DOL would make it to the electronic age
 - Jake Feddes explained that the State of Wyoming was 100% digital, whether it be health or brand certificates, it was on the driver’s phone if they got stopped and added that their system was very good and very wonderful
 - Ethan Wilfore explained that a driver could verify to the Highway Patrolman from their phone with the paperwork having a date/time stamp and possibly initials of the Inspector that wrote up the paperwork
 - Mike Honeycutt changed the priority of addressing this statute to high
- 81-3-211 – *Inspection of Livestock Before Change of Ownership or Removal from County, Transportation Permits*
 - Mr. Wilfore said he had no specific concerns on this particular statute, but expected some to be raised
 - Nina Baucus questioned who kept record of livestock tattoos and why bulls were singled out as the cattle that qualified for a permanent transportation permit
 - Also questioned in the statute was a portion of it that was just passed in the 2017 Legislature regarding grazing permits. Does “controlled by” of the grazing ground also include leases on public land
 - The priority of addressing this statute was changed to high
- 81-3-215 – *Inspection of Dead Animals in Feedlots*
 - Mr. Wilfore said he questioned the appropriateness of the 48-hour timeline of this statute and also he thought that there should be not only notification to the owner but to the DOL as well
 - Gene Curry said he wasn’t aware that this was a requirement and felt that some public education was needed about it

- Ethan Wilfore said that the feedlot owner had responsibility to contact the DOL but it was hard to keep that compliance when the regulation was not well-known
 - Mr. Curry said he did not want to totally eliminate the statute because he felt enforcement, especially at custom feedlots, was still needed
 - Jake Feddes agreed, saying that maybe the wording could be changed to commercial or custom feedlot, not privately-owned ones and one BOL members said, if that was done, that commercial and custom would need to be clearly defined
 - Greg Wichman commented that reporting due to health or biosecurity issues versus brand or theft issues should be different on a report
 - The priority of addressing this statute was changed to high
- 81-3-222 – *Compensation for Animals Killed*
 - Ethan Wilfore said that he thought there might be a better and more efficient way to determine the value of an animal killed as part of an investigation
 - Currently the value of the animal was determined by three disinterested parties
 - It was discussed to utilize the market value of the animal like LLB does for their predation claims
 - Alan Redfield shared that when had lost a couple calves to wolves, the market formula was used and he came out better than he thought he would and it was a fair process
 - Mike Honeycutt said the USDA has a maximum value they pay for indemnity
 - The priority of addressing this statute was changed to high
- 81-3-223 – *Action by Dissatisfied Owner, Costs*
 - Ethan Wilfore said that if 81-3-222 was changed it would also affect 81-3-223
 - Mike Honeycutt pointed out that this statute dates all the way back to 1895 and when it says that the owner will bear all costs that may be incurred in the maintenance of that action, he said that is not the way the court system works and that if a party sued the DOL and prevailed, the judge would order the DOL to pay the attorney's fees
- 81-3-204 – *Seizure of Livestock, Retention of Livestock, Sale, Disposal of Proceeds*
 - Language in the statute that stated State Inspectors taking possession of livestock they are inspecting was discussed because it appeared the Inspector could take the seized livestock home and keep it in their own corral
 - Ethan Wilfore said the heart and soul of the statute was to take possession of the animal until total ownership was decided
 - The priority of addressing this statute was changed to high so that clarification in language of the statute could be discussed further
- 81-3-205 – *Fees for Inspection and Livestock Transportation Permits*

- Ethan Wilfore explained, when asked by the BOL, that Local Inspectors, Deputy Stock Inspectors, can charge mileage, but State Inspectors cannot charge for that
 - 81-3-231 – *Penalties*
 - It was discussed to change penalties currently charged by the DOL to something more than what would seem to be just a “slap on the hand”
 - Mike Honeycutt explained about escalation of penalties for those who continued to commit misdemeanors
 - Alan Redfield reported that in 2013 Legislature there was a bill for FWP that gave the judge discretion of what to do for penalties because their fines were so low that the County Attorney wouldn’t prosecute them
 - It was requested that Ethan Wilfore bring information back to the BOL regarding how often the penalty is used in a year and Jake Feddes requested that those stats be divided between rodeo and production livestock animals
 - The priority of addressing this statute was changed to high
- Industry representatives had some comment on the statutes just reviewed:
- Jay Bodner said he felt the penalty issue was pretty significant and that there is a window of opportunity now to make tweaks to some of the antiquated statutes
 - Jenny Bloomquist appreciated being kept in the loop with these changes and said she would be communicating the information to their board and getting feedback

RULES

- 32.18.105 – *Brand Ownership and Transfer*
 - Ethan Wilfore said that the point of this rule was to designate between tenancy and survivorship and that the rule, generally, was not clearly written. He added that he felt this rule could be added to 32.18.110
- 32.18.106 – *Sale of Branded Livestock*
 - Ethan Wilfore explained to the BOL that if names on Transfer of Brand certificates are separated by “or” that it requires only one person to sign. But, if the names are connected by “and” then all parties are required to sign the document
- 32.18.110 – *Recording and Transfer of Brands*
 - Ethan Wilfore said that because of the amount of procedural information in the rule, he did not know if it belonged in rule
 - Mike Honeycutt pointed out that not all of the rule was procedural and there were parts of it that had been part of audits where it was pointed out that you couldn’t let people ride on certain fees forever
 - Mr. Honeycutt said that there were constituents who were not happy if something couldn’t be pointed out to them in rule
 - Rachel Cone was wondering whether adding updating with electronic could be added to the rule to bring it up to current technology and make it easier for people
- 32.18.401 – *Brand Inspection Stamp*/32.18.403 – *Quarters to be Stamped*

- Ethan Wilfore said he had discussed both of these rules with Dr. Zaluski and also with some folks in the field and that both of these rules would be candidates for repeal because in his opinion, there was no real relevance since either a pre-slaughter or hide inspection were what was done today
 - Mike Honeycutt said if these rules were repealed, the animals would still have to have a brand inspection for movement and change of ownership
 - Gene Curry asked if there was any reason to keep these rules on the books since a stamp was not being used and he hadn't seen that in commerce today
 - Jay Bodner said that he did not know that the stamps rules were even there and so he thought that there was no need to waste Bureau time on them
 - The priority of addressing these rules was changed to high
- The BOL discussed rules regarding grazing permits:
- Mr. Honeycutt pointed out that regarding grazing land permits, the statute says the land used for grazing must be in my control, but, the rule says, no, the land used for grazing has to be entirely owned by me
 - The State Constitution, according to Mr. Honeycutt, is the top priority, then the statute, then the rule and he wanted to make sure the BOL hold that order up in a court case involving that particular rule and statute
 - Mr. Honeycutt said that you could move animals without a transportation permit by truck across county lines if you never leave your own property. He said if your land crosses county lines and you moved them on the hoof, you do not need a permit for that because the land is contiguous across those county lines; you never leave your own property. Once you get on a road, you're not on your own property anymore
 - There was more talk about educating the public about the grazing statutes and rules
 - 32.18.101 – *Hot Iron Brands Required*
 - Ethan Wilfore said that the reason cattle were not part of this rule was because they were on a separate point and that freeze brands on cattle were not accepted for quite some time
 - Regarding freeze brands on sheep, Greg said that they were used more for a trademark rather than for identification and that black-based breeds are the only ones that can use them
 - Gene Curry said that if the breeder wants to use that freeze brand as an official mark, they need to come before the BOL with a request for that if they want to make it official
 - Jake Feddes said that a freeze brand does not qualify for sheep
 - 32.18.108 – *Equine Breed Registry Mark*
 - Ethan Wilfore said that the DOL does not keep track of those equine breed registry marks but the owner does, like a holding brand

(2:16:53) 10:31 AM – RECESS

(2:17:00) 10:50 AM – RECONVENE

Gene Curry announced that Brett DeBruycker's father, Roy, had passed away and that his funeral was the following day. He thought it would be a nice gesture for the BOL and DOL to send a card to Brett and his family

NEW BUSINESS

(2:18:05) 10:51 AM

(2:18:08) 10:51 AM – UPDATE ON INTERACTION WITH LEGISLATIVE INTERIM COMMITTEE

Mike Honeycutt said that September usually was a very busy month because the Legislature had just passed new legislation that created Interim Budget Committees that work with Departments through the interim

(2:18:37) 10:52 AM – Section C Interim Budget Committee

Mike Honeycutt reported that the Section C Interim Budget Committee met with the DOL the previous week:

- Fiscal Analyst Rob Miller submitted a fiscal year-end report to the Committee
 - Mr. Honeycutt said that the DOL had not spent all of their authority and that everything was within regulation with how money was supposed to move around
- Mr. Honeycutt was asked by the Chair to address some specific issues
 - How was the DOL progressing with rerecord
 - Update the Committee on Brucellosis and the DSA
 - Mr. Honeycutt said he reported that DSA costs had been escalated, some due to a more expensive screening test and also due to DSA expansion
 - An update was given to the Committee about elk collaring
 - The Committee wanted to know about the equipment purchases they approved for the DOL, and they also wanted an update on the helicopter purchase
 - Where was the DOL in the process of establishing the Cooperative Interstate Shippers Program
 - Last items reported on to the Committee were general updates on the state of the livestock industry and the drought

(2:20:40) 10:54 AM – Environmental Quality Council

Mike Honeycutt reported that the Environmental Quality Council was in town the previous week and asked the DOL to be part of a group update on feral swine. Dr. Zaluski participated in that group

(2:20:50) 10:54 AM – Economic Affairs Interim Committee

Mike Honeycutt reported that the DOL would be meeting with the Economic Affairs Interim Committee on September 22, 2021:

- Mr. Honeycutt said that the DOL was not officially on their agenda, but needed to be prepared to talk about issues or updates they might request
- Mr. Honeycutt said that he and Brian Simonson were set to be in an exit conference that week regarding the Board of Milk Control and their program. He expected that the DOL would be on the Legislative Audit Committee's agenda for October to talk about that audit

(2:22:38) 10:56 AM – DISCUSS USDA NOTICE OF RULEMAKING ON LABELING FOR CELL-CULTURED PRODUCT AND DETERMINATION OF POTENTIAL COMMENTS

Mike Honeycutt updated the BOL on the status of labeling for cell-cultured product and requested whether or not the BOL wanted to weigh in on possible new Federal rulings regarding that product:

- Mr. Honeycutt said that Alan Redfield had brought to his attention a statute passed in the 2019 Legislative Session that defined a cell-cultured edible product
 - Cell-cultured edible product was flesh derived from tissues and, according to Mr. Honeycutt, basically grown in a lab. He said that the Montana statute very clearly defines that Montana's definition of meat does not include that type of product
- USDA had been given oversight over the cell-cultured product if it got produced, and they were looking at establishing their rules for labeling and how the Food Safety Inspection Service (FSIS) would be responsible for it
 - Public comment on the USDA's proposed rule on the product were due November 2, 2021
- Mr. Honeycutt voiced concerns about the possible new rules from USDA regarding the cell-cultured product
 - There would be an incongruence by having a State regulation that differed from a Federal regulation and what would the impact of that be
 - Mr. Honeycutt pointed out that if an establishment sold cell-cultured product in Montana and did not label it as such, they would be guilty of misbranding
 - If the rule was put into place, would Montana's State Inspection Service be involved in that
- Alan Redfield explained that he put in that 2019 bill that only muscle cut be considered meat
 - Although Mr. Redfield said that it was quite a ways out from the actual production of the cell-cultured product, there was still a push for it
 - A lot of other states had passed legislation similar to Montana's, and Mr. Redfield said that if Montana and those states worked together, perhaps they could have an impact on the possible legislation
- Concern was raised about cell-cultured product being put in a display case with meat cuts and whether salmonella could be passed from that product to meat

- Jake Feddes said that the livestock industry should stay on top of the situation, stay ahead of the game and not let what happened to the milk industry with nut products happen to meat
- Alan Redfield said that part of the comment to the proposed new ruling by USDA should be that states should be able to use their own laws for labeling

MOTION/VOTE

(2:38:09) 11:11 AM

Nina Baucus moved to have Mike Honeycutt put together a draft proposal for comments to USDA concerning cell-cultured edible product for sale in our state. Jake Feddes seconded. The motion passed.

ATTACHED AGENCY REPORTS

(2:29:34) 11:13 AM

(2:29:43) 11:13 AM – MILK CONTROL BUREAU

Darryl Ford appeared before the BOL in person for the first time to introduce himself and give updates for the Milk Control Bureau:

- Mr. Ford announced that he had been in his new position as Bureau Chief for 78 days
- He said he was born in Butte, lived in Colstrip and then in Billings for 20 years before moving to Helena
- For the last five years, Mr. Ford said he had worked as a Bank Examiner in the Montana Division of Banking, covering eastern Montana banks

(2:41:33) 11:15 AM – Discussion on Pandemic Market Volatility Assistance Program (PMVAP)

Darryl Ford explained the Federal program called PMVP and qualifications needed to participate in it:

- Mr. Ford said that nationally, the PMVAP had \$350 million in funds available to dairy producers who were involved in the Federal Milk Marketing Order (FMMO) program and were disrupted due to market abnormalities caused by the COVID-19 pandemic and ensuing Federal policies
- The ensuing Federal policy, as stated in a USDA presentation, appeared to be a formula change to Class 1 skim milk in 2019, causing a difference in pooling calculations and a hardship to milk producers
- Montana milk producers, according to Mr. Ford, were ineligible to apply or receive any of the PMVAP funds because they were not involved in the Federal Milk Marketing Program
- Those pooling calculations represent the same hardship for both FMMO producers and Montana producers as well
- Ed Waldner said that Montana producers must follow a Federal marketing order, and Gene Curry added, but, they still don't fit under the guidelines of the assistance

- Mike Honeycutt said that the Federal government was going to disperse several hundred million dollars to dairies and that while some states were getting their losses covered, Montana was not. He asked what the BOL and DOL should do
 - Should it be requested that the Governor write a letter on behalf of the DOL saying he would like to see the funds dispersed to Montana as well
 - Should the Congressional delegation be contacted regarding the situation
- Mr. Honeycutt said that some organizations were already doing things to put some pressure on USDA to rethink and change their strategy and not leave non-FMMO states out of the disbursement of the PMVAP funds

MOTION/VOTE

(2:52:48) 11:26 AM

Greg Wichman moved that Mike Honeycutt pursue whatever channels are available for Montana to be included in the allocation of Federal Pandemic Market Volatility Assistance Program funds. Nina Baucus seconded. The motion passed.

(2:55:28) 11:29 AM – Board of Milk Control Meetings

Darryl Ford reported that there were two scheduled upcoming meetings for the Board of Milk Control:

- A ZOOM meeting scheduled for Tuesday, September 28, 2021 would focus on the Red Tape Review for the Board of Milk Control statutes
 - Mr. Ford said he was working on adding the PMVAP program to that meeting and he had already reached out to several of the co-ops to provide briefings that had been in touch with USDA
 - Darigold people responded to Mr. Ford saying they would speak at the meeting
- An October 27, 2021 meeting, scheduled in Helena, would include Red Tape Review, annual assessment rates and an annual report on the Milk Control Bureau program that Mr. Ford was currently writing

(2:56:42) 11:30 AM – Dairy Producer Pool Status/Peil Dairy Going Out of Business

Darryl Ford updated the BOL on the current dairy producer pool status and reported on one dairy going out of business:

- Currently, Mr. Ford reported that there were 43 dairy producers with six out of Billings and 23 out of Great Falls
 - Darigold had 14 milk producers with one, Peil Dairy, going out of business
 - Peil Dairy, according to Mr. Ford, had personal issues going on and did not have anybody in his family capable of taking the dairy on
- There were three plants in Montana, 25 jobbers, 37 out-of-state distributors and three producer distributors

(2:57:56) 11:31 AM – Montana Correctional Enterprises (MCE) License Transition Request

Darryl Ford reported that Montana Correctional Enterprises had asked to become a producer/distributor:

- Mr. Ford said the reason MCE gave for the change was to limit their paperwork and such they had to do
- MCE had already surrendered their quota, saving them a little over \$2,000/month in assessments
- MCE had been shipping their milk to Darigold in Bozeman and now, Mr. Ford said, they just do ice cream sales to ice cream places around Kalispell, Billings and Red Lodge and provided cream for it

There was some general discussion with the BOL and Darryl Ford:

- Mr. Ford reminded the BOL and Mike Honeycutt of the Tuesday, September 28, 2021 Board of Milk Control meeting, set to begin at 1:00 pm
- PMVAP comments had no timeline, but Mr. Ford told the BOL that payouts for that program was basically between now and March
- It was reported by Mr. Ford that Kingsbury Colony had transferred 2,600 pounds of quota to Big Sky Colony

(2:28:01) 10:45 AM

LIVESTOCK LOSS BOARD (LLB)

George Edwards introduced himself as the Executive Director for the Livestock Loss Board

(2:28:42) 10:46 AM – General Claims Numbers Update

George Edwards explained that the claims stat sheets that he had given the BOL were numbers from June 15, 2021:

- Mr. Edwards said that claims were beginning to come in heavy now, with one day picking up 7 claims and that another five had come in that morning
- Mr. Edwards explained that he is receiving April 2021 claims right now because once Wildlife Services does a predation investigation for a producer, claim forms are given to them to fill out and return to the LLB for compensation, but some producers wait 7-8 months to turn in that form

(2:30:40) 10:49 AM – Livestock Loss Board Update

George Edwards updated the BOL on LLB activities:

- Evan Waters told George Edwards that the LLB was doing okay, something different for the LLB, as Mr. Edwards said they usually just skip by budget-wise, by the skin of their teeth
- Mr. Edwards provided the BOL members with an agenda for the Livestock Loss board meeting scheduled for July 2, 2021
 - Mr. Edwards said that the LLB is back to doing remote meetings, or listening sessions, where producers from different areas can meet and talk to LLB directors informally, and that is where they get a vast majority of their best ideas between directors and producers
 - Mr. Edwards said that he contacted the Choteau and Fairfield papers to have them publish information about the July 2, 2021 LLB meeting agenda

- Mr. Edwards said that at the upcoming LLB July 2nd meeting, they hope to discuss with ranchers about applying for prevention grants and how they can make it work better for them so that the vast majority of the grant monies will go to ranchers rather than non-profit groups
- Mr. Edwards said that he had suggested to his board to scrap the current prevention grant form and simplify it, making it more of a check-box situation
- SB58, passed this Legislative Session, according to Mr. Edwards, and gave the LLB \$100,000 of State-dedicated prevention money, much easier for ranchers to acquire, because the previous prevention money was Federal and the LLB had to match it with a 50% cost-share
- Mr. Edwards said that to a degree, some producers may not have faith in prevention measures for grizzly bears, but, with those bears becoming more prevalent, especially on the prairies, there is more electric fence going up
 - Mr. Edwards shared that Rockport Colony, for the last 3-4 years, had been putting up a couple miles of barbed wire electric fence each year and would probably be attending the LLB meeting to try and get some of that financed to be able to continue that fencing. He said that just a couple years ago, that Colony had 18 grizzly bears in among their buildings
 - Although some ranchers told Mr. Edwards that putting up electric fence concentrates the bear problem on the neighbors, the LLB won't force people to use it, but will continue to try and get the word out about prevention measures
- Mr. Edwards explained to the BOL his process for calculating the amount given for each predation claim that comes into his office
 - The current funding through the Legislature, according to Mr. Edwards, allows pay for predation for confirmed or probable loss, direct head loss, but there is no funding available to pay a multiplier
- When questioned why the LLB pays predation claim costs for ewes comparable to the Miles City ewe sale, which tend to be for yearlings and registered stock, Mr. Edwards explained that because the LLB had not been able to pay the multiplier, his Board wanted to err towards more the top ewe value rather than the cull ewe value to pay producers' predation claims
- Mr. Edwards said that Lieutenant Governor Kristin Juras spoke with him after a grizzly bear meeting in Augusta, telling him that there needs to be more money in the LLB program so that a multiplier can be paid
- Because of challenges from some NGOs regarding the LLB paying a multiplier, the LLB asked to have multiplier language inserted into statute so that there would be no challenge down the line when multiplier money does become available

(3:19:47) 11:53 AM – PREDATOR CONTROL

(3:19:57) 11:53 AM – Update on Activities of USDA Wildlife Services

Dalin Tidwell, State Director of USDA Wildlife Services, introduced himself and said he had some good news regarding helicopter negotiations:

- Mr. Tidwell reported that he had numerous discussions with USDA regarding a helicopter purchased by them for the State of Nevada
 - Mr. Tidwell said that Nevada was not a helicopter state and when they purchased the \$180,000 helicopter, they weren't quite prepared and recognized that they would have to get a hangar and a pilot, and other things to make the purchase work for them
 - To help Nevada's financial woes he discussed with them that perhaps their best solution would be for them turn loose of the helicopter, which they finally realized, and Mr. Tidwell said the DOL now had an awesome opportunity to purchase the Nevada helicopter at that \$180,000 price
 - Mr. Tidwell said that he was also able to get them to waive the original 12-month ownership time frame and that they would proceed with the sale immediately
- The helicopter had already been flown for 10 hours on one flight from Alabama and 1.4 hours on a check ride by Wildlife Services' Eric Waldorf
 - Mr. Waldorf said that the helicopter flew smoothly with all the necessary power requirements needed for Wildlife Services work
- Mr. Tidwell said that modifications would need to be made to the helicopter for hunting purposes and they had chosen to have them done in Helena. He added that he would get a list to the BOL of what modifications would need to be done and the cost
 - The #1 and #2 stage wheels in the turbine, according to Mr. Tidwell, would need to be replaced soon after purchase
 - Mr. Honeycutt said that there was about \$110,000 in authority that the Legislature gave the DOL for the helicopter after purchase, which could be used for the retrofit
- Mr. Tidwell commented that it would be a good thing to get a Bell 206 for \$180,000, even with the additional \$14,000 percentage fee that GSA would add to that price

Dalin Tidwell, gave an update on Investigative Reports (IRs) for Montana Wildlife Services, along with general updates:

- Mr. Tidwell reported that that they were up to 163 IRs for grizzly bear so far, with the Federal fiscal year ending at the end of September
- The wolf mitigation portion of the DOL contract with Wildlife Services was signed and in place. The fund was around \$98,000 this year
- Mr. Tidwell said that although he and John Steuber were able to attend the Ram and Ewe sale in Miles City, because they were still under COVID travel restrictions, they were not able to stay overnight
- Mr. Tidwell explained that after a predation investigation was completed, they send the report to the landowner with a claims application packet that they can submit to George Edwards at the LLB. This was done weekly
- George Edwards said that at the highest, only about 5% to 10% of the claim forms from Wildlife Services are not sent to LLB for reimbursement
- Mr. Tidwell thought that by the first of the year, his replacement, after he stepped into the Director position, would be in place

(3:42:22) **12:16 PM – LUNCH**

(3:42:39) **12:46 PM – RECONVENE**

BRANDS ENFORCEMENT DIVISION

(3:42:48) **12:46 PM**

Ethan Wilfore requested a change in the agenda order, as market owners were on the line already and he wanted to get their portion done first. Chairman Gene Curry accepted Mr. Wilfore's request

(3:43:17) **12:46 PM – CHANGE IN SALE DAY REQUEST**

Ethan Wilfore reported that he had two requests to hold regular horse sales, one from the Missoula and one from the Ramsay sale barns

(3:50:04) **12:53 PM – Five Valleys (Missoula) – Monthly Horse Sale**

Ethan Wilfore reported that Five Valleys in Missoula requested to move their existing monthly horse sale from the second Tuesday of each month to the second Saturday of each month:

- Concern was raised about having overlapping sales on the same day, especially in regards to staffing of the sales
- Ethan Wilfore reported that in talking to the Dustin Datisman, the District Investigator in Missoula, he did not raise any concerns when notified of the request
- In checking the market schedules across the state, it appeared that there were no overlapping horse sales on the second Saturday of a month
- Mike Honeycutt said that there was nothing in statute that stated livestock sales could not overlap one another

MOTION/VOTE

(3:49:19) **12:52 PM**

Ed Waldner moved to allow Five Valleys Livestock Auction in Missoula to change their existing monthly horse sale from the second Tuesday of each month to the second Saturday of each month. Greg Wichman seconded. The motion passed.

(3:50:04) **12:53 PM – Ramsay – Monthly Horse Sale**

Ethan Wilfore reported that Montana Livestock Auction in Ramsay requested to add an additional regular monthly horse sale each month:

- According to Mr. Wilfore, Ramsay seasonally holds Tuesday and Friday horse sales, and that during the week with the Saturday horse sale, it would be a heavy workload for staff that would probably require extra help and overtime costs to make it work, but, they would have enough staff to cover it
- In doing the math for whether or not it would be financially feasible to hold the extra Saturday sale, Mr. Honeycutt said the breakeven number would be inspection fees for 20 horses

MOTION/VOTE

(3:55:40) 12:59 PM

Greg Wichman moved to allow Montana Livestock Auction in Ramsay to add an additional horse sale day on the third Saturday of each month. Ed Waldner seconded. The motion passed.

(3:56:37) 1:00 PM – RERECORD PROGRESS UPDATE

Ethan Wilfore reported that there had been some rerecord paperwork received over the weekend, but it was not enough to change the numbers much that he had already submitted to the BOL:

- Mr. Wilfore said that they were sitting at just under 61% of the state's brands rerecorded
- Second notices had been sent out at the beginning of September which had caused weekly rerecord numbers to jump from the summer's 200-300/week to 500/week and even close to 1,000 that had been rerecorded the previous week
 - Gene Curry commented that the bright color choice of the second notice card was effective, really sticking out in the mail
 - Mr. Wilfore said there was a good-sized chunk of the second-notice cards returned and that his staff would be utilizing them for outreach by phone
- Mr. Wilfore expected things to get real busy soon, as word was getting out about rerecord and with public notices going out in newspapers during the October/November time frame
 - Mr. Honeycutt said there was a plan to have someone speak about rerecord at the Ram Sale on September 15th, but that the person was told the sale was on the 16th
 - It was suggested by BOL members to have auctioneers at bull sales announce to people to be sure and get their brands redone

(4:03:03) 1:07 PM– BRANDS REVIEW COMMITTEE UPDATE

Mike Honeycutt announced that there was a 9:00 AM meeting scheduled for the Brands Review Committee the very next day at the DOL:

- Gene Curry reported that Greg Wichman had requested attendance at that meeting on behalf of the Woolgrowers
- Mr. Honeycutt said that he had received an email from Rachel Prevost, MFU regarding the meeting and said that that MFU had not submitted names of people to attend, but that the invitation for Ms. Prevost to attend the meeting was still open

OLD BUSINESS (Continued)

(4:04:35) 1:08 PM

Dr. Marty Zaluski introduced

(4:04:45) 1:08 PM– PRESENTATION AND DISCUSSION ON MVDL NEW CONSTRUCTION PROJECT WITH LPW, PROJECT ARCHITECTURAL FIRM

Brian Simonson introduced Max Griebe of LPW Architecture, Great Falls, Montana, who would be updating the BOL on the construction of the new MVDL. He added that Marina Little of State A&E would also be available for questions as well:

- Max Griebe explained to the BOL that LPW had been hired in 2018 by the State of Montana to form a study of combining four individual State labs into one facility
 - With all but two State labs opting out in the end, the Ag Analytical Lab and the MVDL, Mr. Griebe explained that LPW prepared a new construction plan to the 2021 Legislature and they approved \$36 million for a combined lab complex between the MVDL and the Ag Analytical Lab
 - Since the approval of the project funding, Mr. Griebe said he had been working with Marina Little of State A&E to complete the next phase of that contract and was in attendance at the day's BOL meeting, representing LPW's design team, to give an update on how the project was moving forward
- Design schedule for the project would be about 15 months, followed by a 20-month construction period and an anticipated occupancy of the building in October 2024
 - Although LPW had a construction budget of \$26.5 million, according to Mr. Griebe, they built in about a 3% escalation per year in the project budget to cover inflation
 - Mr. Griebe said that the Lab Consultant would be Clark-Enerson, a nationally-recognized firm who were experts in designing and engineering systems in Labs and who would also be performing any mechanical, electrical and plumbing work
 - Morrison-Maierle, a Bozeman firm, would be handling the civil engineering, low-voltage and structural
 - TD&H Engineering, another Bozeman firm, would be doing landscape design
- LPW planned to have their Lab Consultant meet with both the MVDL people and the Ag Analytical Lab people sometime in October to complete the verification process, after which the design phase would begin
 - With a 15-month design phase, final construction drawings should be ready by the end of 2022, Mr. Griebe said, followed by a bidding and contract negotiation period in early spring and construction beginning in 2023, when the frost disappears from the ground
- The Wool Lab had also received funding for a series of projects, but those appeared to be at a different location than being part of the new MVDL. Mr. Griebe said that if the Wool Lab decided suddenly they wanted to be part of the new MVDL, he did not think it would impact the others if they came on very early in the design process
- Mr. Griebe reported that they had preliminary approval from the MSU Planning Department for approval of a building site for the new MVDL, directly north of the Marsh Lab, very close to the location of the current MVDL

- Nina Baucus requested there be a stoplight to make for easier access both on and off 19th. Mr. Griebel said they had previously looked at an option of making a connection with Garfield for incoming traffic, something that might be considered again to deal with hazmat traffic going to the MVDL
- Marina Little reported that the ARPA funding for the new MVDL had not been all straightened out yet. Mike Honeycutt agreed, saying that the DOL had still not been given complete Federal guidance on Section 604 of ARPA, which had passed six months previous
- Mike Honeycutt explained that although the 2021 Legislature had approved \$26 million in HB14 funds to finance the new MVDL, they were waiting to see if the ARPA funds would be coming through first.
 - Mike Honeycutt said that outside of construction, the new MVDL funding would cover a new incinerator and some new equipment
- \$9 million in funding was also approved by the 2021 Legislature for funding the Ag Analytical Lab, and that funding was available for A&E right now to move forward with the new Lab process

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS

(4:28:31) 1:32 PM

Dr. Marty Zaluski introduced himself to the BOL, explaining that he had been in his position since 2007, adding that about four years previous, the DOL was reorganized and his position morphed into him becoming the Administrator of the Animal Health and Food Safety Division. He reported that Dr. Szymanski was out TB testing and so he would be pinch-hitting for her at this meeting

(4:30:12) 1:33 PM - ANIMAL HEALTH BUREAU

(4:31:05) 1:34 PM – Out-of-State Travel Reports

Dr. Marty Zaluski and Dr. Anna Forseth gave highlights of two out-of-state meetings recently attended by Animal Health Bureau staff:

- **(4:31:25) 1:35 PM – Swine Health Improvement Plan (SHIP) Meeting**
- Dr. Forseth reported that at the end of August, she had attended the SHIP meeting as the voting member of the State of Montana
 - SHIP was modeled after the National Poultry Improvement Plan (NPIP), which had been in existence for about 90 years and developed originally as a salmonella forum to rally poultry producers to do surveillance testing and manage infected flocks
 - SHIP was funded by USDA and would be a two-year project, a pilot program
 - The SHIP meeting focused on African Swine Fever and Classical Swine Fever
 - The August meeting, the first for SHIP, was a gathering of State Animal Health Officials and swine veterinarians to identify the high priorities for African Swine Fever and Classical Swine Fever as far as

- biosecurity, traceability and testing, in the event that there was an outbreak or detection of one of those diseases
 - Dr. Forseth said the meeting attendance was impressive and that she saw a lot of people representing large hog production companies and swine veterinary clinics. Anne Miller, Executive Director of the Montana Pork Producers, attended the meeting with Dr. Forseth
- Dr. Forseth reported that there was a detection of African Swine Fever in the Dominican Republic this summer, the first time the virus was detected in the Western Hemisphere in 40 years
 - There had been some roadblocks to managing African Swine Fever in the Dominican Republic due to the number of animals being raised by individual families and those families hiding their animals from law enforcement
 - A protection zone was created by the World Organization for Animal Health (OIE) around Puerto Rico and the Virgin Islands since the detection, not only to protect them from the infection, but also the United State mainland
- USDA, according to Dr. Forseth, held a series of webinars the previous week, for pork producers and others in the industry, to raise the awareness of the status of African Swine Fever and biosecurity
- Dr. Forseth described African Swine Fever as a hardy hemorrhagic virus that could survive for a period of time in both processed and frozen meats, and it was, in fact, protected in frozen temperatures. Currently, there was no vaccine available for the virus, although a vaccine was being looked at
 - FMD, Classical Swine Fever and African Swine Fever all mimic domestic diseases which could influence when it would be detected and isolated if it came onto mainland United States
- If the African Swine Fever virus got into a feral swine population it would be very hard, if not impossible to control, according to Dr. Forseth, and there was a concern about the 37 states that have issues with feral swine, especially in the southern U.S
- Dr. Forseth said she had received information from Dr. Juda regarding a chronic strain of the virus circulating around China that was not able to be identified for a period of time, which meant it was around and spreading
- On October 13, 2021 there was a conference scheduled for the Montana Pork Producers and Dr. Forseth said she planned to talk about African Swine Fever and its status, the SHIP Program and the Secure Food Supply Program
- **(4:03:42) 2:07 PM – Western States Livestock Health Association Annual Meeting**
- Dr. Marty Zaluski reported on the Western States Livestock Health Association Meeting he had attended
- Dr. Zaluski said there were a number of new faces representing the western states because of a significant turnover with State Veterinarians and their staff

- There was discussion about a Washington State request to ask that cattle from Mexico do additional TB testing across the border, something that was in the study phase because of the cost of those tests...approximately \$75/head
 - Dr. Zaluski said that about a third of the TB cases found at slaughter in the United States are from Mexican-source animals
 - Alan Redfield said that he raised the issue about roping cattle in the 2017 Legislative Session and he felt the DOL needed to stay on top of it because he felt it was a threat to the cattle industry
 - Dr. Zaluski and Mike Honeycutt spoke about a hearing three years previous where a rule was proposed that would nix the Mexican roping cattle from entering Montana. With most of the people attending the hearing representing the rodeo industry, the response was negative to the rule and the BOL did not proceed with that prohibition
- Dr. Zaluski said that one meeting discussion regarded Brucella Aboretus in raw milk, especially in the milk of Jersey cattle
 - In the last couple years there were six cases of Jersey cattle having or shedding the virus into milk. Out of the six cases, three resulted in human exposure, Dr. Zaluski said
 - Jersey cows, according to Dr. Zaluski, seemed to have an immune system that was not quite as vigorous and might get colonized for life by the vaccines they're given
- Dr. Zaluski reported that Montana was one of only two states that as of a few weeks ago had pretty much run through their entirety of RFID tags
- Mike Honeycutt reported that in the State of Washington, in lieu of brand inspections, they are offering producers the ability to do self-inspections if they use RFID tags, which are distributed from the State, so each tag number is registered to you as an owner and if the cattle change ownership, those tag numbers are transferred from one owner to the next owner
- Dr. Zaluski said that he was able to tour the \$10 million new Lab facility in Boise, Idaho, which was about six months from completion. He said that the facility was financed primarily with State general fund and about 20% agency funding

(5:25:17) 2:28 PM – Tuberculosis Update

Dr. Marty Zaluski gave an update on the Tuberculosis traces in the state:

- Dr. Zaluski reported that in early August there was a Tuberculosis trace that was found at slaughter and traced to a herd of origin in northcentral Montana
- A diagnosis was confirmed by the Federal Laboratory (NDSL) and TB testing was currently in process
- On the initial screening test, a caudal fold test, Dr. Zaluski said that of the several hundred animals in the herd tested, 28 were found to be responders
 - A follow up test conducted by USDA personnel, allowed the DOL to determine which animals would go to a slaughter facility to view tissues and which would be euthanized on premises because of testing high

- enough at risk. Those animals would be viewed by an onsite Pathologist and the owner agreed to then bury those animals slaughtered onsite
- Tissues of suspects would then be submitted to NDSL for classification and those results were expected in two to three weeks after that
 - Dr. Zaluski said that doing testing during shipping season was disruptive and that the DOL was doing what they could to minimize that. He voiced his confidence in the brand inspection program and traceability of animal IDs and health certificates to find any other animals that may have moved to another premise
 - Dr. Zaluski said that if the herd tested positive, they would ask questions about a potential source. Some cattle had been purchased a number of years ago, including some dairy cattle in the past, but it was not believed that their hired help had contributed to the possible infection. FWP was collaborating on investigating some wildlife in the area as possible disease carriers
- Regarding the Mexican roping cattle brought into Montana, Dr. Zaluski said that they were required to get tested before being brought into the United States and then once they were purchased, an additional test, not less than 60 days after the first one was supposed to be conducted
 - Washington talked about combining a caudal fold test with a blood gamma test for the Mexican roping steers, and Dr. Zaluski said that could certainly be considered for those roping steers coming into Montana
 - Dr. Zaluski reported that there was a second TB trace that the DOL was working on from Madison County that was discovered at slaughter in Kuna, Idaho
 - The challenge to this TB trace, according to Dr. Zaluski, was that it was a purebred operation with challenges for bull sales and other movements with such a broad customer base
 - Dr. Zaluski said that Dr. Szymanski was testing that herd today and tomorrow, with a crew coming the next week to help with testing as well
 - Mike Honeycutt complimented the affected Montana producers, thanking them for being so positive in their response regarding the testing of their herds
 - Dr. Zaluski echoed Mr. Honeycutt's words adding a shout-out to Dr. Szymanski and the crew of the Animal Health Bureau for their work on the situations as well
- Jake Feddes voiced his concern regarding the DOL's biosecurity preparedness in the case of foreign animal disease outbreaks:
- Mr. Feddes said his specific concern was the discussion at the last BOL meeting regarding utilizing sales barns and privately-owned facilities to house cattle in case of a stop movement order
 - The clean-up of a sales barn after cattle would be dropped off there for a stop-order should be considered as well, according to Mr. Feddes
 - Dr. Zaluski said that there might be an opportunity for sales barns to partner with the DOL during a stop movement order, because there would be no sales at that point anyway
 - Mike Honeycutt said that it is a complicated thing, as truckers heading to Canada, if they were stopped by an order at the border, would not have a sale barn nearby to unload their livestock

- Nina Baucus shared that Canadian cattle had been let onto their place without permission and her concern was the potential of those cattle to infect their herd, especially when, at that time, Canada did not require Brucellosis vaccination
- DOL resources were limited, according to Mr. Honeycutt, and adding the stress of the cost of a stop-movement order would require some help
- Dr. Zaluski said he welcomed Jake's comments as he had similar concerns and asked that there should maybe be a tabletop or other exercise to address Mr. Feddes concern
- Mr. Honeycutt said that he spoke with Dr. Anna Forseth about the DOL doing either tabletop or full-scale functional emergency preparedness exercises two to three times a year and hoped that both the BOL and stakeholders would participate as well

(6:00:36) 3:04 PM – MILK & EGG BUREAU

Dr. Marty Zaluski said he had a brief Milk & Egg Bureau Report to give that day:

(6:00:54) 3:04 PM – Proposed Amendment to ARM 32.8.201(1) – SCOPE OF RULES

Dr. Marty Zaluski explained that Darcy Alm had recognized that ARM 32.8.201 – SCOPE OF RULES, required some additional verbiage that would exempt small dairies from the regulations articulated in SB199:

- The additional 12-word verbiage was checked out by DOL legal counsel who agreed the verbiage was appropriate
- If approved by the BOL, Dr. Zaluski said the verbiage would be put through the rules amendment process that would put it before the public for comment before being adopted

MOTION/VOTE

(6:03:15) 3:06 PM

Greg Wichman moved to submit to the Secretary of State's Office to open it up for public comment, the proposed amendment to ARM 32.8.201(1) SCOPE OF RULES, as presented by Dr. Marty Zaluski. Nina Baucus seconded. The motion passed.

(6:04:05) 3:07 PM – RECESS

(6:04:44) 3:27 PM – RECONVENE

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS (Continued)

(6:04:48) 3:27 PM

(6:04:48) 3:27 PM – MEAT & POULTRY INSPECTION BUREAU

Gary Hamel, Bureau Chief of the Meat & Poultry Inspection Bureau, introduced himself to the BOL and said that he had three different topics to cover

(6:05:04) 3:28 PM – Request to Fill Inspector Positions

Gary Hamel announced that he would like to fill another vacant Meat Inspector position in Kalispell:

- Mr. Hamel reported that the Kalispell position was vacated due to the Inspector obtaining employment to inspect for USDA
- Two Meat Inspectors had been hired by the USDA, and a possible third was expected to accept a position there in a December time frame
- Mr. Hamel said that he had a total of five vacancies in the Meat and Poultry Inspection Bureau, but had two candidates accept offers and were set to start on October 4, 2021, with the other three vacancies in various stages of hiring
- The two new hires would begin preliminary training on October 5-6 and other training on October 18, 2021

MOTION/VOTE

(6:06:35) 3:29 PM

Nina Baucus moved to give Gary Hamel the authority to post and fill the newly vacated Kalispell Meat Inspector position. Jake Feddes seconded. The motion passed.

- Gary Hamel said that the primary driver, in his opinion, for losing Inspectors to USDA was pay, as one Inspector left the Bureau due to a little over a \$4/hour pay difference
- Mr. Hamel said that for some open positions, he had been receiving one or two applicants who did not even include a required cover letter or resume
- Mike Honeycutt said that the Snapshot for any budget changes would not be until June/July 2022 and that the DOL tried to pay 83% of market or more for salaries
- Although some grocery stores were offering sign-on bonuses, Mr. Honeycutt said that the State offered a 7% retirement match and still paid the lion's share of health insurance premiums

(6:419:06) 3:41 PM – Cooperative Interstate Shipment Program

Gary Hamel reported on the status of the Cooperative Interstate Shipment Program approval process:

- Mr. Hamel said that the application for the Program had been completed, submitted and that USDA had acknowledged that they had received it
- Dr. Legg, USDA's Frontline Supervisor for Montana, contacted the DOL said he would be stopping by the Meat & Poultry Inspection Bureau to find out a little more information and that he would be making regular contact as the process moved forward
- The process to establish a Cooperative Interstate Shipment Program was not a quick one, Mr. Hamel said, and that it would take six to nine months to go through the initial process

(6:20:38) 3:43 PM – Request for Out-of-State Travel – EIAO to Shadow Food Safety Assessment in Denver

Gary Hamel reported that the Meat & Poultry Inspection Bureau's EIAO had an opportunity to shadow a Federal EIAO Inspector going through a Food Safety Assessment (FSA):

- The Food Safety Assessment would be held in Denver a week before the already approved out-of-state-travel for the EIAO to attend the National Association of Meat & Food Inspector Directors (NASMFID) meeting in Denver
- Mr. Hamel explained that currently, there was no EIAO in Montana at the Federal level, nor were there any plans for conducting an FSA in Montana in the near future
- Mr. Hamel said that his goal was for EIAOs in Montana to conduct approximately 10 FSAs per year, an "at least equal to" requirement
- Gene Curry requested that when a motion was made that there would not be a dollar amount attached to it so that Mr. Hamel could use his best judgement and get the best deal he could

MOTION/VOTE

(6:20:41) 3:46 PM

Ed Waldner moved to allow travel to Denver, with no cost constraints attached, for the EIAO in the Meat & Poultry Inspection Bureau to shadow a Federal EIAO doing Food Safety Assessment. Nina Baucus seconded. The motion passed.

(6:27:15) 3:49 PM – VETERINARY DIAGNOSTIC LABORATORY

Greg Juda, Director of the Montana Veterinary Diagnostic Lab in Bozeman, introduced himself to the BOL and announced that he had only one agenda item request for the BOL

(6:27:32) 3:49 PM – Request to Add New Test and Amend Published Fee Schedule – Amend ARM 32.2.403

Greg Juda explained to the BOL his reasons for wanting to amend ARM 32.2.403:

- Dr. Juda requested to add a small animal pregnancy test to the test offerings at the VDL
 - According to Dr. Juda, the Veterinary Microbiologist reported that she had four to five requests for the pregnancy test in the past six months or so
 - The Virology Section would conduct the pregnancy tests, and Dr. Juda said they do have backup to absorb the additional testing
 - Turnaround time for the pregnancy test would be same day and the cost to get the offering up and running is nothing, other than buying the test kit and performing the testing, Dr. Juda said
- Dr. Juda requested to change a test type from a hemagglutination assay to a serum neutralization to test influenza virus-type read because, according to the VDL Veterinary Microbiologist, it would be a more superior test, being more accurate in terms of titer results

MOTION/VOTE

(6:30:43) 3:53 PM

Alan Redfield moved to add the small animal pregnancy test to the MVDL test offerings and to change a test type, with accompanying changes made to the Diagnostic Laboratory Fees Schedule (32.2.403), as presented by Dr. Greg Juda. Greg Wichman seconded. The motion passed.

(6:31:20) 3:54 PM – BOL Discussion on Rabies

Greg Wichman requested information from Dr. Juda on a horse that tested positive and then negative for rabies:

- Dr. Juda explained that the National Lab was not able to confirm the positive rabies test and so it was just classified as indeterminate
- Dr. Juda said that independent people read the slides and read it as positive and that the VDL still stood by the results that they had gotten. He did not know why there were disproportionate results at the National Lab at this time
- Dr. Zaluski explained that on occasion, the Lab would receive samples, brain samples, that were not suitable for testing, due to drying out or whatever, and in those cases, when public health looks at those submissions, they treat that as a potential positive

CENTRALIZED SERVICES DIVISION REPORTS

(6:36:50) 3:59 PM

(6:36:53) 3:59 PM – INFORMATION TECHNOLOGY BUREAU

(6:36:53) 3:59 PM – IT Report on HB10 Current Status and Plans

Buddy Hanrahan, the Chief IT Information Officer and Second IT Supervisor, introduced himself and gave an update on the HB10 project:

- The HB10 Project, or State IT Plan, was granted to the DOL from the 2019 Legislative Session and is a multi-year project utilizing \$1.3 million in State Special Revenue
 - Purpose of the project was to overhaul the State IT system, and, in the case of the DOL, was to minimize the footprint of IT for the DOL and make the systems work with each other
 - To date, Mr. Hanrahan reported that, just under \$200,000 had been spent to fully integrate the Poultry, Milk & Egg and LIMS system (also known as VADDs) which had resulted in \$24,000 being spent on the Milk & Egg module, which was nearly complete, \$157,000 to get the Meat & Poultry Inspection Bureau integrated and the rest on a payment process used at the VDL
 - Mr. Honeycutt said that so far, \$500,000 of authority had been released to the DOL for the HB10 project and up to \$1.3 million could be spent
- In meeting with SITSD, Mr. Hanrahan found that the State owned a portion of the licensing of ServiceNow, a customer-service style program that IT was now

considering using, that will integrate the DOL's existing systems in Brands, Animal Health and the VDL, and make it so they could all talk to each other. The DOL was awaiting an estimate of what it would cost

- Mr. Hanrahan said that all of the State Departments were moving to use this platform and maybe in the future would interface with their information as well
- The ServiceNow system hooks into SABHRS and has the ability to connect to all the financial paperwork
- Mr. Honeycutt said, with all State Departments integrated to each other, there would not be any need for each Department to build separate systems, which might be cheaper and faster, and allow more collaboration across agencies
- Along with meeting with Bureau and Division Heads, Mr. Hanrahan said that he was working with ServiceNow to get a base platform in place and begin prototyping what the system would look like
- For the Brands Enforcement Division, everything in Brands would talk to the State network and to each other at the same time, including the central office, markets and everything they currently have plus make some improvements as well. Currently, a system called Fort Supply was used at auctions
 - Mr. Hanrahan explained that the system was permission-based, allowing the DOL and right down to the citizen customer to utilize it for their own information
 - Mr. Honeycutt said he and others had seen a demonstration for electronic brand inspections that the program offered that would be worked on over time and would eliminate all the mail and data entry and give real-time compliance during a movement out of the DSA
- ServiceNow, according to Mr. Honeycutt, would potentially be utilized for permitting, moving away from the online permits into a more seamless and easier-to-work-with system than the one from Montana Interactive

(7:02:10) 4:24 PM – FISCAL BUREAU

(7:02:25) 4:24 PM – Per Capita Fee Rate Change Proposal

Brian Simonson reported that September was the month when the DOL contacted the Department of Revenue about any changes in the per capita rate and he was asking the BOL for their decision on whether or not to change the rate for the coming year:

- Mr. Simonson's handout to the BOL showed what the trends were for per capita reporting for the past 10 years, numbers obtained from the Department of Revenue
 - Horses reported dropped 20,000 over the past 10 years, cattle reported were up 310,000 head and poultry gained 821,000 over the last 10 years
 - There were big gains in the year '20-'21 with cattle numbers, up 10,000 and in chickens, 126,000
- Mike Honeycutt reported that there was about an \$8 million cushion for per capita and that if the cattle numbers declined bringing in \$3.8 million rather than \$4.8

million in FY22, the DOL, with that cushion, would be okay for a year, or maybe even two

- Brian Simonson said that the DOL had been able to bank \$500,00-\$700,000 of per capita fee and had been bringing in more than was spent
- Gene Curry said that raising per capita fees right now would be like a slap in the face to him as a producer, having to suffer through a drought and then get charged more money on the animals that they were able to keep home

MOTION/VOTE

(7:06:28) 4:29 PM

Nina Baucus moved to not raise any per capita fees for the year. Ed Waldner seconded. The motion passed.

(7:11:18) 4:33 PM – August 31, 2021 State Special Revenue Report

Brian Simonson explained that although an August 31st budget did not have much value to the DOL, it did set the framework for the current year:

- The positive numbers at the bottom of this report, show that the DOL was down a tad, but that there was a lot of timing differences between what was collected last year and what was collected this year in a span of a month
- A lot of the revenues shown in the report, according to Mr. Simonson, were July's and could be a little bit misleading. He advised to let them mature for a couple months
- Field Inspection and Market Inspections reported in the Brands Enforcement Division were moving in opposite directions from what they traditionally did this time of year, with the market inspections up 2x and the field inspections down by a half compared to last year
- The per capita numbers would continue to go up a little bit, but, there wouldn't be big number jumps until January when people start reporting and paying for calendar year '22 per capita
- Mr. Honeycutt explained that the Stock Estray Fund numbers get recognized if, after a two-year time frame, people provide proof of ownership and claim the money the strayed animal was sold for
- Mr. Simonson explained that the Milk Inspection numbers were showing a little higher, \$47,380, probably because there was an extra payment in there
- Egg Grading had an extra payment in FY21 reflecting a higher number than it should be, but once things leveled off, it would be running ahead of the prior year because of the increased fees being charged
- The VDL, showing a negative \$27,000 was just another timing issue and Operations had not fallen off at all

(7:17:36) 4:40 PM – September 2021 Through June, 2022 Expenditure Projections

Just like with revenue, Mr. Simonson said that there was not much billing substance to go off of in the Expenditure Projections Report:

- Although the previous year was a COVID year, Mr. Simonson said that there was a little more optimism this year for level of operations

- Travel dollars were expected to be higher than last year
- Mr. Honeycutt explained that carryforward was not reflected in the numbers right now and that through the year, the DOL wants Bureaus to “manage their bucket” for as long as they could and not rely on carryforward to save them
- One hefty retirement in the DOL had been realized already, and more were projected in the numbers, especially in the Brands Enforcement Bureau
 - Retirements were dealt with as unfunded liabilities
- Brian Simonson said that last year, the DOL had a 2% vacancy savings in Personal Services affecting the budget, but that this year, it would be a 5% vacancy savings that would amount to \$300,000 coming off the top. If the DOL were fully employed, it would be an expense that the DOL would have to manage
 - Mr. Honeycutt explained that the retirements in Brands have a lot of times been long-serving employees who get a payout when they leave that might take the DOL 6 months to mitigate and that many times, that can’t be done
 - Alan Redfield suggested that the DOL explain to the Legislative Budget Committee before the Legislative Session, the DOL’s long-term employee situation and the difficulty that arises in the Meat & Poultry Inspection Bureau when a position needs to be filled right away and how that affected vacancy savings
- Mike Honeycutt explained that even though the DOL should probably reduce the State footprint this Legislature, in the Meat & Poultry Inspection Bureau, it should be explained that possibly more FTEs were needed because with “just enough” employees to cover the workload that allows no “wiggle room” when an employee takes a vacation or was absent because of illness
 - Jake Feddes said that with the emphasis put on meat last Session by the whole Legislature and the nationwide emphasis being put on meat, that now would be the time to start working on changes in the Meat & Poultry Inspection Bureau
 - Mr. Honeycutt reminded the BOL that next Session, the Section C Committee would have many new faces, including a new Chair, because Senator Ankney would be termed out. He suggested that educating the new people now in regards to the DOL’s situation would be a very good idea
- Mr. Simonson said that the bottom number on the Expenditure Projections report shows that the DOL was still solvent and that there was nothing to panic about as most things were looking normal

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

(7:33:54) 4:56 PM

Although there was no public still in attendance by ZOOM, there were two representatives from producer organizations present in the room that made comment:

- Rachel Cone, Montana Farm Bureau Federation (MFBF) expressed her appreciation of what the DOL and BOL were doing and also said she appreciated

receiving Red Tape information and said that she would get that information to their membership

- Ms. Cone reported that MFBF had two events scheduled in the next couple of months, one their Young Farmer and Rancher event and the other their annual convention
- Jay Bodner, Montana Stockgrowers Association (MSGA), thanked the DOL and BOL for all their efforts and announced that the MSGA annual convention would be held on November 15-17, 2021
 - Mr. Bodner said that the BOL discussion of the drought situation facing producers was pretty accurate and he thought that a lot of producers had a game plan in place. He added that leaving the per capita amount alone for another year was a great decision

SET DATE FOR THE NEXT BOARD MEETING

(7:38:08) 5:00 PM

Gene Curry requested that BOL members decide on the date for the next BOL meeting:

- Jake Feddes said he had very few days he was available, especially with shipping of cattle
- Dr. Zaluski reported that he and Dr. Szymanski would be in Denver that last week of October
- Alan Redfield reported that in mid-November he would be shipping calves
- Wednesday, November 3, 2021 was decided upon as the date of the next BOL meeting, which would be held in Helena

MEETING ADJOURNED

(&41:53) 5:04 PM


Gene Curry, Chairman