



MINUTES BOARD OF LIVESTOCK MEETING

JULY 16 & 17, 2012
LIVESTOCK CONFERENCE ROOM 319
301 N ROBERTS, HELENA, MT

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
Jeffery Lewis, dairy producer
Stan Boone, cattle producer
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer
John Lehfeldt, sheep producer
Ed Waldner, swine producer g

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
Dr. Marty Zaluski, Animal Health
Steve Merritt, Public Information
Christian Mackay, Executive Officer
Sherry Rust, executive assistant, minute taker

George Harris, Centralized Services
Gary Hamel, Meat Inspection
Eric Liska, Animal Health
Rob Tierney, Bison Program

PUBLIC PRESENT:

John Steuber, USDA APHIS WS
Dr. Tom Linfield, USDA APHIS AVIC
Zach Zipfel, FWP
Rachel Kinkie, Doney Law Firm
Lance Zanto, MT DOA

Les Graham, MLMA
Tyrel Obrecht, MSGA
Pat Flowers, FWP
Becky Weed, 13 Mile Farm

1:00 PM

CALL TO ORDER

MONDAY JULY 16, 2012

ADMINISTRATIVE ITEMS

Board Communications:

- Jan French, Hobson
 - still haying (irrigated)
 - earlier had huge hail and tornados, then nothing weather wise
 - Better off all spring as far as moisture, but drying out now
- Jeff Lewis, Corvallis
 - it can only get better
- Stan Boone, Ingomar
 - fighting a grass fire at the neighbor's place last night
 - tall grass from spring rains is now dust dry
 - the whole area is a tinderbox
- Brett DeBruycker, Dutton
 - dry, dry, dry, hay crop nonexistent
 - grains - poor to none
 - corn not going up, feed is not going down
- John Lehfeldt, Lavina
 - prices are down
 - can't sell wool, sitting in warehouses right now
 - bound to get better

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- Linda Nielsen, Nashua
 - crops are looking pretty good, only 400 acres hailed out so far, a ways to go for our harvest
 - prices are down, cows in the \$70s, feeders in the \$90s
- Ed Waldner
 - hogs are down, feeds up
 - crops look fairly well in our area
 - just finished second cutting of hay, irrigated barley is looking good

Approval of Minutes:

Brett DeBruycker moved to approve the July minutes as presented. Linda Nielsen seconded. The motion carried unanimously.

Interim Authorizations and Activities:

- Out-of-State travel authorized for NVSL training
 - Dr Jeff Marshall, FAD Response refresher class
 - Pullman, Washington

John Lehfeldt moved to approve the chair's interim activities as presented. Jeff Lewis seconded. The motion carried.

Executive Officer Reports:

Stan Boone moved to approve the executive officer reports as presented. Linda Nielsen seconded. The motion carried unanimously.

Division Reports

Animal Health, Dr Zaluski

- Trichomoniasis Testing - pooling
 - the testing laboratory combines samples from several bulls and tests one "pool" - a positive pool requires individual testing of bulls from that group
 - recent studies show this is a valid method with minimal loss of sensitivity
 - recommends use of pooling for exporting out of the state or common grazing but not for epidemiological studies
 - to be implemented by the end of August following validation of lab and getting things in place
 - test fee anticipated around \$60 (per 5 samples)
 - herds that have been identified positive will not be able to pool
- Action Item #1 5/12 Out-of-State Travel Requests
 1. Dr Frank Houle, designated brucellosis epidemiologist for the state of Montana
 - a. to attend the USDA required refresher course
 - b. total cost approximately \$2,500 for 2 day training, travel and expenses
 - c. USDA pays travel, lodging and per diem out of the cooperative agreements

Brett DeBruycker moved to authorize travel as presented. Linda Nielsen seconded. The motion carried.

2. Dr Eric Liska to participate in the brucellosis review program September 9 through 19th
 - a. eight participants will travel to Boise, Helena and Cheyenne

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- b. expenses to come out of USDA funds
- 3. Dr. Zaluski requested out of state travel authorization to participate in a TB program review in Michigan August 6 through 10
 - a. interested in how their program is working
 - b. travel expenses covered by USDA-APHIS

Brett DeBruycker moved to authorize travel to both programs as presented. Jeff Lewis seconded. The motion passed.

- Action Item #2 Proposed Revision of Alternative Livestock Rules
 - requests for rule changes made by alternative livestock producers
 - 1. extend certificate of veterinary inspection from 72 hours to ten days
 - 2. allow producers to collect their own CWD samples to submission to the state diagnostic lab
 - 3. allow slaughter facility without prior veterinary inspection
 - 4. update rules to comply with new federal CWD rules and to rescind Official Order 00-01-GF dates 2/17/2000

Concerns centered on the second request.

- Dr Linfield, USDA APHIS AVIC, suggested the department should be very careful in allowing producers to submit because it is an official test
- Dr Layton, Diagnostic Lab, has reservations accepting owner submitted brain - cannot identify that the brain really came from the designated animal- credibility of the program at risk - prefers whole head intact with the tag still on the ear
- Dr Zaluski, State Veterinarian, Montana is as stringent or more than other CWD programs - North Dakota, Idaho, and Missouri currently allow producers to make these submissions

Brett DeBruycker moved to authorize requested rule changes 1, 3 and 4 and keep number 3 pertaining to CWD submissions as it is now. Linda Nielsen seconded. Motion carried.

- Action Item #3 Draft Legislation regarding Garbage Feeders
 - addresses the discrepancy between federal and state definition of garbage with the federal rules limiting the definition of garbage to only include meat waste,, but state including vegetable waste
 - currently one individual is "certified" to feed garbage in the state
 - recommends revising the state definition to conform with the federal
 - request board authorization to pursue this change in statute during the next legislative session
- Action Item #4 IBMP Scoping Notice regarding year round tolerance in the Western Management Area
 - Christian noted that this was one of the recommendations made by the group during their meetings - expanded area and time zone
 - could mean more management for both FWP and DOL
 - upside is more area will be available for capture and vaccination program
 - Pat Flowers, FWP regional director said it could provide better hunting opportunity enhancing the population control from this method
 - Rob Tierney noted there are presently cattle in the area with a very narrow area and small barriers between cattle area and non-cattle area - there is a small window there where the department can capture and vaccinate --cannot capture with calves at side or during hunting season

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- purpose of the scoping notice is to seek input from all interested parties regarding this issue

Linda Nielsen moved to table this issue until Tuesday following Brand Enforcement reports (approximately 11:00 a.m.) to allow the board time to further study the proposal. Brett DeBruycker seconded. Motion carried.

2:45 P.M. RECESS

3:00 P.M. RECONVENE

Rob Tierney, bison management specialist, was presented with his 30 year service pin.

Guest Speaker

- Lance Zanto, Department of Administration
 - discussed the proposed workers compensation insurance proposed increase
 - a. proposed increase to \$90,000
 - b. Lance, Sheila Martin and Christian met with WC to work on decreasing that premium
 - c. Christian present the board with costs/injuries and expenses over the past six years
 - d. Lance explained that the premium is based on a three year history plus a projected 6-12% medical cost increase
 - e. did get it the premium lowered to \$56,000
- Theresa McKnight and Jeff Jacobson, Montana State University, Bozeman
 - Ms. McKnight, Executive Director, MSU Innovation Campus, explained the innovation campus concept
 - a. is aware of the department's need of a new veterinary diagnostic lab
 - b. suggested inclusion in the innovation campus and reviewed how the new lab would fit into the campus concept
 - c. could assist with funding sources, design and architect expertise and contractors for the project
 - d. need a letter of intent prior to August 30 to show department interest in partnering with MSU in the innovative park project
 - e. letter to include approximate square footage and requested location within the area

John Lehfeltd moved that the board move forward with a letter of intent prior to August 30. Stan Boone seconded. The motion carried.

Veterinary Diagnostic Lab, Dr Bill Layton

- Action Item # 5 BLS-3 MOU with MSU
 - the diagnostic lab needs an MOU with the MSU BLS-3 lab allowing department use of the veterinary science lab in the event of a major disease surge or similar emergency
 - request authorization to sign and complete the MOU as presented

John Lehfeltd moved to authorize completion of the MOU as proposed. Jeff Lewis seconded. The motion carried.

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- Dr Layton provided spreadsheets of lab activity and proposed to provide to the board every two months to coincide with the BOL board meetings in lieu of written monthly reports
- Dr Layton chaired the AAVLD Pathology Committee, good contacts but time consuming
- NIFA Vet Med Loan Repayment program
 - Dr Smith was nominated for this repayment program by Dr Zaluski
 - Smith followed up with requirements and is awaiting decision
 - owes \$75,000 - eligible for a 3 year tax free repayment
- Action Item #5 Travel request for NVSL training
 - estimated total cost did not include \$1,600 for the registration fee

Linda Nielsen moved to authorize the additional cost of \$1,600 for registration fee. Stan Boone seconded. The motion carried.

- Salmonella testing
 - lab is ready and up to cultures
 - validated for testing
 - one issue to be resolved - "turnaround time" -scheduling lab employees
 - have been using two other labs (one out of state)
 - eggplant can provide a 2 year schedule to the lab for them to schedule employees to do testing
- new test -electrolyte panel for large animals
 - \$12 fee
 - to be added to the latest ARM when adopted

Stan Boone moved to authorize adding the new test fee to the proposed ARM as presented. Brett DeBruycker seconded. Motion carried.

Producer Organization Updates

- Montana Stock Growers Association, Ariel Overstreet
 - Introduced Tyrell Obrecht, Turner, Montana as a summer intern
 - Invited all to attend the mid-year meeting
 - Friday and Saturday in Great Falls
 - Recently meet with assistant director of Department of Interior and other federal personnel regarding the bison issue
 - must be managed - not free roaming- manage for disease control
 - emphasized the need to maintain the population within Yellowstone Park
 - need to have the ranching community at the table
 - MSGA presenting an op ed of "why we don't need free roaming bison to counter the op eds of "why we need free roaming bison"

Public Comment

5:00 P.M.

ADJOURNMENT

5:10 P.M.

EXECUTIVE SESSION

Personal right to privacy exceeds the public right to know.

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8:00 a.m.

CALL TO ORDER

TUESDAY JULY 17, 2012

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
Jeffery Lewis, dairy producer
Stan Boone, cattle producer
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer
John Lehfeldt, sheep producer
Ed Waldner, swine producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
John Grainger, Brands Enforcement
Gary Hamel, Meat Inspection
Marty Clark, Brand Enforcement
Roy Hemry, Milk Control Bureau
Mike Finnegan, Meat Inspection
Christian Mackay, Executive Officer

George Harris, Centralized Services
Dr. Marty Zaluski, Animal Health
Steve Merritt, Public Information
Eric Liska, Animal Health
Patty Thompson, Milk Control Bureau
George Edwards, Livestock Loss Board
Sherry Rust, executive assistant, minute taker

PUBLIC PRESENT:

Les Graham, MLMA
Ariel Overstreet, MSGA
Hope Stockwell, Legislative Services

Quentin Kajula, FWP
Pat Murdo, Legislative Services
John Steuber, USDA APHIS WS

Division Reports Continued

Wildlife Services, John Steuber

- wolf depredation continues
- grizzly depredation reported most recently in Dupuyer and Red Lodge
- doing a lot of disease surveillance this year - plague, tularemia, parvo in coyotes, blue tongue, and Epizootic Hemorrhagic Disease

Centralized Services, George Harris

- Recruitment for vacant bureau chief position
 - job description rewritten and position opened
 - closing date is today
- Board of Horse Racing update
 - very unhappy that they have no operating money
 - governor authorized a 10 year loan instead of 8 for repayment of loan
 - department cannot continue to devote an accountant to horse racing
 - suggested to BOHR that they use leftover money to hire their own part time account - they are considering it but do not have the funds at this time
- Department of Revenue per capita fee collection plan
 - met with IT staff, accounting, Christian and George - do not have sufficient staff or funds to attempt our own collection

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- Revenue is building an online system working with DOL to assure it works for us
 - will continue to collect until and if DOL can take over the system
 - seems to be the direction Revenue is headed - recommendation -go slowly
 - State Special Revenue/Cash Review
 - concerned with Brands Enforcement fund and cash status
 - reviewed the cost to operate brand enforcement and the need for fee adjustments to meet the statutory requirements to have fees commensurate with costs
 - John Lehfeltdt - board needs to concentrate on raising fees to address the shortfalls
 - Stan Boone - will have a lot of negative impact
 - Jan French, will hear more negative if we have to start laying off
 - Linda Nielsen - publicize the need to raise inspection fees - markets were receptive to the need to raise fees at the annual meeting
 - Ariel Overstreet, MSGA, can do outreach at meetings and in newsletters
 - Jan - more receptive to raising fees than to losing personnel
 - John - other state's fees are way higher than in Montana
- The board charged Christian and George to provide data and scenarios - layoffs and fee increases for the board to consider to eliminate funding shortfalls. Board will schedule a conference call meeting for mid-august to discuss and make decisions.

- Vehicle Replacement Plan
 - George Harris reviewed the cost of replacement of brand enforcement trucks versus leasing from the motor pool
 - motor pool would provide trucks for contracted price
 - we provide light bars, and other enforcement equipment, our own license plates
 - relatively same cost per year
 - advantages - no cash outlay for purchases, vehicles are replaced at 125,000 or when deemed unfit
- Action Item # 6 Right to Know Procedure Approval
 - in view of the increasing requests from the public for access or copies of MDOL documents the department needs a procedure and fee schedule in place
 - requests board approval of the draft procedure and expense reimbursement/fee schedule (standard with all state agencies)

John Lehfeltdt moved to approve the procedure/fee document as presented. Ed Waldner seconded. The motion carried.

Public Information Office

- delay in the first Mont Guide (on best management practices - Trich)
 - process of working with Extension office rather cumbersome
- Would like to have packets for the new legislators - DOL - who we are, what we do, etc.
- Christian showed the board DOL Facebook page used to repost news articles and department generated articles

Milk and Egg, Dan Turcotte

- ratings for the Meadow gold Great Falls plant were very good
- Dairigold is supplying Costco again - added a shift to accomplish it

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- informed the board of a producer whose milk recently tested antibiotic positive for the second time - must appear before the board on the third positive
- the proposed LIMS program suggested for animal health will not accommodate MDOL's milk and egg program - Jim Newhall continue to search
- Out of State Travel
 - USDA invited Roy Hall to attend an egg grader supervisor meeting November 11 in California
 - request authorization for Roy to attend - USDA pays travel costs

Linda Nielsen moved to authorize the out of state travel as requested. Jeff Lewis seconded. Motion passed.

10:30 A.M. RECESS

10:45 A.M. RECONVENE

Meat and Poultry Inspection, Gary Hamel

- Action Item #7 Draft Legislation
 - receiving numerous of questions from proposed rabbit producers regarding slaughter
 - per state statute alternative livestock and rabbits must be processed and slaughtered in a separate plant - there are no dedicated Montana rabbit slaughter plants
 - Federal rules say it is okay to slaughter and process in the same plant with appropriate clean up in between
 - provided proposed statutory changes and request board authorization to proceed

Brett DeBruycker moved to authorize proceeding to seek legislative changes as presented. Linda Nielsen seconded. The motion carried.

- Poultry Exemption Presentation
 - reviewed 8 federal exemptions available to small producers who want to provide product to local markets

Brands Enforcement, John Grainger

- Action Item #7 Brand Official Procedure final
 - provided an update of the draft which the board authorized in September 2010
 - some minor changes included in this draft

Brett DeBruycker moved to authorize the new draft as presented. John Lehfeltdt seconded. Motion carried.

- Action Item #8 Brand appeal hold over
 - Sam Novich -tried to apply for expired brand - found to have conflicts
 - paid \$500 to get brand back under conflict exemption
 - requested \$500 refund if series conflicts are revised

Brett DeBruycker moved to refund the \$500 as requested. Stan Boone seconded.

Discussion: petitioner did not renew his brand prior to the rerecord deadline - the \$500 late fee should stand.

The motion request was denied unanimously.

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- Action Item #9 Draft Legislation

- Internet Market Broker
 - current statutes do not address internet brokers
 - not a dealer, and are not connected to a market
 - the demand is there for licensing internet sales
 - markets say the rules should apply to internet sales as well - anytime someone assemble livestock to sell that constitutes a market
 - Superior Livestock is not in compliance at present - they are not selling in the state and are not tied to a Montana market
- Agister Lien - working with Ag to make agister lien separate from contractor lien

The board deferred action on both items until draft documents can be provided for study.

- Sidney Market Sale

- required documentation was not available as of the BOL meeting
- each board member will receive the total packet when it comes in
- will need to hold a hearing - perhaps somewhere in the central part of the state so board members can attend rather than conference call
- second option wait for the September BOL meeting
- depends on applicant needs

- Presentation of new Market Inspection System

- Christian reviewed the old inspection system and its shortfalls
- the 2007 brucellosis traceback accounted for 98% of livestock movement and took 60 days
- the new system links all livestock movement into the central office database where a traceback can be implemented and tracked in a matter of minutes
- Ramsey market takes 4 employees to complete a sale (presently)
- Nye can handle the same size sale at Three Forks by himself (without overtime)
- have cut considerable overtime since implementing the new system
- issues with the system are being addressed as they are found and need more powerful computers in the markets to handle this powerful software
- still have some issues with personnel using the equipment
- Nye Howey brought the program up for the board to view and worked through it so they could see how it works

- IBMP Scoping Notice

- Discussion:
 - need to set limit on funds to be expended by DOL on this issue
 - cooperatively should go forward
 - need to expedite the vaccination program
 - do not want to put producers into apposition of taking livestock off the landscape
 - options are being taken away - without the use of helicopter management will be on a daily basis - move forward with the scoping to look for more options - federal money is drying up
 - livestock should not carry all the burden, FWP should help manage bison as wildlife
 - caving in again - cannot see where this is beneficial to producers

