



**MINUTES BOARD OF LIVESTOCK MEETING
MARCH 17 & 18, 2014**

Monday March 17, 2014

Call to Order 1:10 p.m.

Board Members Present:

Jan French, Chair, cattle producer
Ed Waldner, swine producer
John Scully, cattle producer

Brett DeBruycker, cattle producer
John Lehfeldt, sheep producer
Linda Nielsen, cattle producer

Absent:

Jeffery Lewis, dairy producer

Staff Present:

Christian Mackay, Executive Officer
Dan Turcotte, Milk & Egg Bureau
Dr Marty Zaluski, Animal Health
Dr Tahnee Szymanski, Animal Health
Steve Merritt, Public Information
George Edwards, Livestock Loss Board

Sherry Rust, executive assistant
George Harris, Centralized Services
Dr Bill Layton, Veterinary Diagnostic Lab
Jim Newhall, Centralized Services IT
Conrad Flynn, Centralized Services IT
Gary Hamel, Meat Inspection Bureau

Public Present:

John Steuber, Wildlife Services
Kristalee Evans, MT Milk Producers Assn
Kathryn Qannaiahu, EMWH
Roger Lloyd, Legislative Fiscal Div.
Bill O'Connell, GWA
Wayne Huntley, Dept. of Revenue
Mike Kadis, Revenue
Gene Curry, Montana Stockgrowers Assn

Les Graham, MT Livestock Market Assn
John Youngberg, MT Farm Bureau
Errol Rice, MT Stockgrowers Assn
Jim Brown, MT Woolgrowers Assn
Tom Linfield, DVM, USDA APHIS VS
Cynthia Monte More, Revenue
Allen Peura, Revenue
Ann Miller, MT Pork Producers

Administrative Items

Remarks from the Board

Jan French

- calving going well, some pneumonia around

Ed Waldner

- hog prices are high (probably caused by the EPV)
- received a lot of snow this winter

Brett DeBruycker

- rough winter but will have grass this spring and reservoirs are full
- calf prices are up

John Lehfeldt

- long winter
 - sheep industry is huge in lamb industry
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- wool industry is slow, domestic is strong

Linda Nielsen

- cold but not as much moisture as other areas
- good sale last week
- not holding horse sales anymore

John Scully

- lots of snow last week
- a ranch in the valley positive for brucellosis

Approval of Board of Livestock Minutes:

Linda Nielsen moved to approve the January minutes with one correction. John Lehfeldt seconded. The motion carried with John Scully voting no.

Approval of Chairperson Interim Authorizations and Activities:

- Dr Zaluski to attend the US Animal Health Planning Conference
- Expenses paid by USAHA

Ed Waldner moved to approve the interim action. John Lehfeldt seconded. The motion carried.

Approval of Executive Officer Reports:

John Lehfeldt moved to approve executive officer reports as presented. Linda Nielsen seconded. The motion carried with John Scully voting no.

Centralized Services Division Report:

- Department of Revenue Presentation on per capita fee collection
 - Revenue is implementing a new collection system for collection of taxes but will not include "per capita", since it is not a "tax"
 - previewed a mock system to be built by Revenue for transition to MDOL for billing and collection through the Livestock Department starting around 2015 or 16
 - board concerns centered on:
 - additional department expenses (mailing, staffing, etc)
 - required additional employees
 - lack of department collection authority compared to Revenue
 - costs to department would exceed the amount currently charged by Revenue (two percent set by statute)

Board consensus is to have Christian Mackay and George Harris bring a business plan and more information to the next meeting.

- Internal Control Update
 - George Harris presented a revised 13 page Internal Control document to the board
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- next step is to meet with managers and review the internal control plan

 - Laboratory Information Management System update
 - department received four bids
 - George Harris and Conrad Flynn will travel to Bozeman on Wednesday for a review of the bids with Jim Newhall, Dr. Layton and his section heads
 - Rhonda Grandy from purchasing will oversee the scoring process

 - Milk Control Bureau Update
 - Mr. Harris is working on internal procedures with Gary Hamel, former milk control bureau chief helping out during Patti's illness
 - recruitment for new bureau chief will close soon

 - LLB Update
 - new board member - Seth Wilson
 - issued \$99,000 out of \$100,000 preventative grant funds
 - Board meeting April 11 at the Bozeman Holiday Inn

 - Budget Status 2014
 - report on current budget status by division/bureau
- The board discussed the brand cash deferral necessary from brand funds, how to reduce this deficit and how to fund the 2014 5% pay plan increase due in November
- Executive Planning Process (EPP) 2016-17
 - beginning the process even though have not received the letter from the Governor's office
 - working committee appointed from board members to work with Christian and George on prioritizing EPP requests from divisions/bureaus:
John Scully,
Brett DeBruycker,
John Lehfeldt
 - decisions will then be reviewed with chair Jan French

Recess 2:47 p.m.

Reconvene 3:02 p.m.

Veterinary Diagnostic Laboratory Division Report

- Accreditation Update
 - received accreditation extension last month with new issues
 - completing the quality system is due end of July



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- Salmonella Enteritidis environmental testing
 - working on resolving false positive issues

 - higher quality test provides best results, more tests per place the more cost effective
 - foods testing is another possible revenue source
 - proposes \$28 PCR test and \$20 negative with Suspect \$23 NVSL fees additional

Brett DeBruycker moved to adopt the fee schedule as presented. Ed seconded. The motion carried.

- Out of State Travel Request
 - Microbiologist Conference
 - Mary Ann to attend in June
 - approximate cost of \$1,000 covered in the lab budget

John Scully moved to authorize the out of state travel as presented. Brett DeBruycker seconded. The motion carried.

USDA Wildlife Services

- this is the busy time, calving right now
- three helicopters and two fixed wing planes used for services
 - one helicopter and one plane are in for repairs or servicing
 - using fixed wing planes wherever we can (3 times cheaper to fly)
- wolf depredation is down
- grizzly bears are coming out of dens now

Milk & Egg Bureau Report

- Montana Egg
 - now running 60 hours a week on a five day contract
 - part time egg grade is now working
 - USDA in Great Falls inspecting
- Egg licensing mail out is completed
- Two milk loads tested antibiotic positive
- USDA grant
 - received \$2,000 for attending conferences
- milk tampering issue
 - notified the FBI
 - VDL holding the evidence
 - working on chain of evidence protocol

12-Day Rule Discussion

- Kristalee Evans, representative Montana Milk Producers Association
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- plaintiff has used all levels of the court
- subcommittee meeting March 27 starts at 8 am

- the general public will be heard at 11 a.m.
- brochures being put out in retailers contains misinformation

Montana Pork Producers - Porcine Epidemic Diarrhea (PED)

- Ann Miller, representative
 - producers experience 80 to 100 percent losses in suckling pigs
 - not a human health reportable disease at this time
 - first outbreak was February 7
 - 90 percent of Montana pork producers are Hutterite colonies
 - Smithfield in North Carolina is feeling the effects of the epidemic and is scaling back kill hours due to lack of product
 - working on surveillance and tracking program for the state
 - Kudos to State and Assistant State Veterinarian and department personnel for working in concert on this outbreak
 - Washington State is asking if they can send samples to MVDL once the lab is set up for it

Public Comment

Gene Curry, Montana Stockgrowers Association

Looking forward to working with the board on the budget. The industry is here to support the department.

Adjournment 5:30 p.m.

Executive Session 5:45 p.m.

Personal right to privacy exceeds the public right to know.

Tuesday March 18, 2014

Call to Order 8:07 a.m.

Board Members Present:

Jan French, Chair, cattle producer

Ed Waldner, swine producer

John Scully, cattle producer

Brett DeBruycker, cattle producer

John Lehfeltdt, sheep producer

Linda Nielsen, cattle producer

Absent:

Jeffery Lewis, dairy producer



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Staff Present:

Christian Mackay, Executive Officer
Marty Clark, Brand Enforcement
Dr Marty Zaluski, Animal Health
Dr Tahnee Szymanski, Animal Health
Steve Merritt, Public Information

Sherry Rust, executive assistant
George Harris, Centralized Services
Eric Liska, Animal Health
John Grainger, Brands Enforcement
Rob Tierney, Bison Management

Public Present:

John Steuber, Wildlife Services
Bonnie Rice, Sierra Club
Russ Tolaro, Defenders
Roger Lloyd, Legislative Fiscal Div.
Tom Linfield, DVM, USDA APHIS VS
Pat Flowers, FWP

Les Graham, MT Livestock Market Assn
John Youngberg, MT Farm Bureau
Errol Rice, MT Stockgrowers Assn
Glenn Hockett, Gallatin Wildlife Assn
Quentin Kujala, FWP

Animal Health Division Report

- Bison Environmental Assessment for Year Round Tolerance
 - Christian Mackay and Dr Zaluski worked with Fish, Wildlife and Parks to draft a modified alternative that allows scales tolerance for bison around Yellowstone National Park to bison count.
 - Agencies could extend the hunt if over population numbers
 - maintaining a population at or near 3,300 should avoid extremes in population requiring capture and slaughter
 - prior MDOL counts were done over a two day period twice a year
 - intent is to not allow comingling as in prior years - bison tolerance areas only include a minimum number of seasonal producers

Board discussion centered on:

- will increased bison on private Montana lands add to producer risk
- likewise increased exposure from elk - will it increase transmission
- can we fence exposed areas
- added cost to the department
- number should be 3,000
- how do we get to the 3,000 number and how to keep it there
- does Yellowstone Park agree with the number
- who has authority to decide when number exceeds
- should it be addressed in the IBMP not a new document

The board declined to vote on this plan, citing the need for more cost information and reworking of plan details.

- Legislative Proposal – Feral Swine
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○ Dr Zaluski recommended that a feral swine bill will go before the legislature this year

- it is imperative that this be implemented prior to feral swine entering the state
- he questioned should it be an agency bill or through hunting and other advocates
- draft is based on a very nice North Dakota bill

Public comment on this issue:

- Nick Groboc, Wildlife Association: organization will support this bill
- John Youngberg, Farm Bureau Federation: also in support
- Quentin Kujala, Fish, Wildlife and Parks: the constituency should carry this given the strength of diverse constituency
- John Steuber, Wildlife Services: feds just added twenty million to wildlife services for feral hog control - none available in Montana since we have no feral hogs yet
 - Errol Rice, Montana Stockgrowers Association: recent case in Michigan where an exotic pig raiser (food production) was shut down by the state. The need to recognize exotic vs feral is incumbent

John Scully moved to approve going forward with this proposal. John Lehfeldt seconded. The motion carried.

- Recommendations from working group on Risk Mitigation in the DSA
 - Quentin Kujala, Fish, Wildlife & Parks explained suggested modifications
 1. Extend the opportunity for lethal removal by 15 days

John Scully moved to support the recommendation to extend lethal removal date to May 15 in the Paradise Valley. Ed Waldner seconded. The motion carried.

- 2. Extend limit on fencing - larger areas to fence
 - Dr Liska, DSA Veterinary specialist, said the commission is very hung up on the fencing recommendation
 - board questioned if extend fencing limit in DSA what about producers in other parts of the state who have large wildlife population issues
 - who is going to pay for it

John Scully moved to support the recommendation altering with a period at the end of materials, paragraph C and striking as in the existing game damage process. John Lehfeldt seconded. The motion carried with chair Jan French voting no.

Kathryn Qannaiahu, EMWH: has attended all of the meetings, this is not game damage but rather fencing to elk proof for brucellosis mitigation.

- Elk Survey Capture update
 - capture took place in the Tobacco Roots and 311
 - 70 elk capture from Tobacco Roots in early February- all were negative
 - 60 captured in 311 where 10 out of 60 were positive
 - it was noted that there are some raw milk dairies that may be affected in the area
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- based on this survey the DSA boundary adjustment proposal will be presented at the next board meeting

- capture also collared elk to study the travel pattern - where they are coming from and where they go
- John Scully requested an update of comparative Idaho, Wyoming and Montana on how the issue is handled

Recess 10:20 a.m.

Reconvene 10:33 a.m.

Meat Inspection Bureau Report

- ARM - draft rule updates
 - Gary Hamel provided an updated draft of 32.6.712 proposal to bring Montana rules in compliance by reference to the Federal Code of Regulations

Ed Waldner moved to authorize publication of the proposal as presented. John Scully seconded. The motion carried.

- Self-assessment completed
 - comprised of three federal questions
 - answered and have equal to status
- Federal Inspection scheduled June 9 through 19
 - will receive a list of plants selected prior to inspection team arrival
- HB 630 - Cottage Food bill
 - attending meetings to gather information
 - department involvement is regarding thousand bird exemption and eggs
- EPP
 - see the need for 2 new full time employees
 - one to focus on supervisory issues
 - second to deal with compliance issue
 - fully paid for by federal match and general fund
 - existing issue with wild game processors taking livestock for slaughter and processing without proper licensing from the state

Public Information Office Report

- board business cards completed and delivered
- legislative information update in process
- bison story
- continuing website revision now that we have a new IT (Tracy Hayward) person on board
 - delayed while department only had Conrad in-house



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- Tracy will move the draft website for board access

Brands Enforcement Division Report

- Request to Board: CAN brand vs CAN tattoo
 - Ace Diemert requested exemption to allow use of tattoo on Canadian imported breeding stock
 - discussion included:
 - John Grainger - from the inspection side it isn't practical as cannot sight in pasture, must bring cattle in to inspect
 - Dr Zaluski noted that processors want the CAN brand vs tattoo for country of origin

The board tabled the request to the next meeting with instructions to ask Mr. Diemert to attend

- Changes to Horse Amnesty Act
 - Bill Blankenship and Les Graham are working with Senator Hamlet and other sponsors to change the language in the existing statute
 - would allow surrender anywhere not just at the market
 - ARM proposal for implementation and processes is on hold pending legislative change
- Age Tally Mark (ARM rule change proposal)
 - unanimous agreement from District Investigators at the monthly meeting that age tally mark and numbers should be revised as long as users conform with current ownership laws
 - John Grainger presented a draft proposal and requested authorization to publish

John Lehfeldt moved to authorize publication as presented. Brett DeBruycker seconded. The motion carried.

- Request for exemption on brand
 - Casey Cosby - requesting exemption to obtain a 1 over bar brand to match the brand he owns in Wyoming
 - his cattle range across Wyoming/Montana border
 - Christian explained that the department no longer issues 1 brands
 - John Grainger recommends looking at the rules/procedure and conference call with inspectors to address this issue
 - also work with Wyoming for option to contiguous landowners
 - board expressed the need to look at the brand restriction issue as a whole to see if policy revisions are needed



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- Discussion Item: USDA marketing position
 - Christian Mackay explained that the USDA market reporter position is being vacated
 - he was contacted with a proposal to contract a state employee (MDOL) supervised by a USDA employee
 - this position is valued by producers and market buyers

The board directed Christian to follow up on this and obtain more information

Producer Organization Updates

- Bill Curry, MSGA, asked when the budget committee will meet
- Christian: no date set yet, estimate mid-April, Ag organizations will be notified
- Errol Rice, MSGA, thanked the board for their involvement from the producers and MSGA. The bison issue is time consuming for the agency and producers, as well as the EA. The producer organizations stand behind the board regarding their role in bison management.
 - Les Graham, MT Livestock Market Association and John Youngberg, MT Farm Bureau, requested notification of the budget working group meeting

Public Comment

Russ Tolaro, Defenders of Wildlife, noted they have funding available for fencing and other preventative measures.

Next Board Meeting

May 19 & 20, 2014, Board Conference Room 319

Adjournment 11:56 a.m.

JAN FRENCH, CHAIR