

Annual Report to Senate and House Committees 2015 Legislature

Agricultural and Natural Resources Committee Government Operations and Audit Committee

Compiled January 8, 2015

By

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Brand Board Legislative Report for Calendar Year 2014

This report is compiled to meet the requirements for SDCL 40-18-18. The South Dakota Brand Board operates on funds generated from the brand registration program and brand inspection program. The Brand Board does not receive general fund appropriations. The livestock inspection area in South Dakota is west of the Missouri River. Any livestock leaving this inspection area must have a livestock inspection prior to leaving. The registration and use of brands apply state wide.

Livestock Inspections and Fees Collected

In CY2014, a total of 1,503,607 head of livestock were inspected. A breakdown of the inspections is as follows: Livestock Markets - 994,144 head, Local Inspections – 505,084 head, Locker Plants – 4,379 head. This compares with CY2013 inspections of 1,574,269 head. The CY2013 inspections were the following: Livestock Markets - 1,079,799 head, Local Inspections - 490,098 head, Locker Plants - 4,372 head. Some of the decrease in the number of livestock inspected in CY2014 is a result of producers rebuilding their herds due to the October 2013 storm, Atlas, which killed several thousand head of livestock in western South Dakota. The number of holds decreased in 2014 to 24,807 compared with 29,299 holds in 2013. Twenty-four holds were submitted to the Brand Board office following the 60-day period in which the inspectors work to clear the holds. Table 1 shows the inspections by month for each category. Table 2, which lists CY2013 information, is included for comparison purposes. Some of the reported numbers are subject to change as data may be received in the brand office after the completion of this report.

Table 1. SD Brand Board Livestock Inspections and Holds by Month for CY 2014.

| CY 2014 Month | Livestock Markets | Locker Plants | Local Inspections | Total # Inspected | Holds |
|------------------|----------------------|------------------|----------------------|----------------------|--------|
| January | 81,367 | 408 | 39,472 | 121,247 | 1,027 |
| February | 119,388 | 488 | 24,103 | 143,979 | 2,714 |
| March | 86,670 | 412 | 25,301 | 112,383 | 2,680 |
| April | 56,487 | 386 | 28,612 | 85,485 | 1,501 |
| May | 50,301 | 443 | 45,469 | 96,213 | 1,789 |
| June | 42,046 | 377 | 35,289 | 77,712 | 3,218 |
| July | 36,151 | 357 | 24,046 | 60,554 | 3,314 |
| August | 18,604 | 262 | 16,021 | 34,887 | 418 |
| September | 29,219 | 328 | 26,445 | 55,992 | 364 |
| October | 57,217 | 283 | 84,639 | 142,139 | 1,734 |
| November | 243,897 | 369 | 82,417 | 326,683 | 2,486 |
| December | 172,797 | 266 | 73,270 | 246,333 | 3,562 |
| Total | 994,144 | 4,379 | 505,084 | 1,503,607 | 24,807 |

Table 2. SD Brand Board Livestock Inspections and Holds by Month for CY 2013.

| CY 2013 Month | Livestock Markets | Locker Plants | Local Inspections | Total # Inspected | Holds |
|------------------|----------------------|------------------|----------------------|----------------------|--------|
| January | 86,265 | 480 | 40,784 | 127,529 | 2,321 |
| February | 109,666 | 496 | 22,729 | 132,891 | 2,261 |
| March | 82,502 | 352 | 22,714 | 105,568 | 1,505 |
| April | 85,359 | 482 | 26,263 | 112,104 | 2,414 |
| May | 56,796 | 404 | 48,714 | 105,914 | 1,808 |
| June | 95,074 | 289 | 35,568 | 130,931 | 3,398 |
| July | 49,696 | 226 | 30,340 | 80,262 | 4,079 |
| August | 19,497 | 259 | 14,213 | 33,969 | 2,286 |
| September | 31,460 | 435 | 31,008 | 62,903 | 742 |
| October | 52,459 | 296 | 65,725 | 118,480 | 2,103 |
| November | 206,027 | 385 | 93,130 | 299,542 | 2,135 |
| December | 204,998 | 268 | 58,910 | 264,176 | 4,247 |
| Total | 1,079,799 | 4,372 | 490,098 | 1,574,269 | 29,299 |

Table 3 shows the total number of inspections per month for 2010 through 2014 and an average inspection for each month for CY2010-CY2014.

Table 3. Total Livestock Inspected Per Month and Monthly Average for Inspections in years 2010-2014.

| Month | 2010 | 2011 | 2012 | 2013 | 2014 | Average |
|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| January | 106,442 | 118,129 | 116,233 | 127,529 | 121,247 | 117,916 |
| February | 130,964 | 127,925 | 134,261 | 132,891 | 143,979 | 134,004 |
| March | 119,979 | 108,540 | 104,140 | 105,568 | 112,383 | 110,122 |
| April | 93,803 | 86,006 | 104,219 | 112,104 | 85,485 | 96,323 |
| May | 109,035 | 97,648 | 102,018 | 105,914 | 96,213 | 102,166 |
| June | 71,734 | 64,023 | 75,350 | 130,931 | 77,712 | 83,950 |
| July | 59,910 | 51,748 | 77,080 | 80,262 | 60,554 | 65,911 |
| August | 44,348 | 52,657 | 69,997 | 33,969 | 34,887 | 47,172 |
| September | 115,306 | 76,044 | 107,690 | 62,903 | 55,992 | 83,587 |
| October | 156,682 | 168,772 | 193,143 | 118,480 | 142,139 | 155,843 |
| November | 296,827 | 340,172 | 403,624 | 299,542 | 326,683 | 333,370 |
| December | 226,260 | 245,356 | 234,511 | 264,176 | 246,333 | 243,327 |
| Total | 1,531,290 | 1,537,020 | 1,722,266 | 1,574,269 | 1,503,607 | 131,141 |

Monthly inspection receipts for livestock markets and local inspections are shown in Table 4. Fees collected for locker plants and feedlot inspections, which are not provided on a local inspection, are included in the livestock market totals. The brand inspection fee was \$.90 per head from September 1, 2012 to June 30, 2013. Effective July 1, 2013, the brand inspection fee changed to a \$1.00 per head. The inspection receipts listed below do not include the mileage fees collected for local inspections. The CY2013 fees are included for comparison purposes.

Table 4. Inspection Receipts Deposited for Calendar Years 2013 and 2014.

| | 2013 | 2013 | 2013 | 2014 | 2014 | 2014 |
|-------|-----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Month | Market Inspections | Local Brand Insp | Brand Insp Total | Market Inspections | Local Brand Insp | Brand Insp Total |
| Jan | \$100,962 | \$53,388 | \$154,350 | \$72,848 | \$41,972 | \$114,820 |
| Feb | \$98,578 | \$24,537 | \$123,115 | \$98,832 | \$17,053 | \$115,885 |
| Mar | \$74,396 | \$21,328 | \$95,724 | \$113,549 | \$37,559 | \$151,108 |
| Apr | \$66,072 | \$23,173 | \$89,245 | \$57,038 | \$32,196 | \$89,234 |
| May | \$43,828 | \$21,179 | \$65,007 | \$50,299 | \$31,342 | \$81,641 |
| Jun | \$97,905 | \$56,335 | \$154,240 | \$42,185 | \$50,851 | \$93,036 |
| July | \$50,391 | \$29,704 | \$80,095 | \$32,574 | \$20,138 | \$52,712 |
| Aug | \$19,688 | \$17,618 | \$37,306 | \$17,181 | \$19,763 | \$36,944 |
| Sept | \$29,936 | \$27,430 | \$57,366 | \$25,803 | \$24,737 | \$50,540 |
| Oct | \$54,781 | \$52,898 | \$107,679 | \$53,692 | \$81,554 | \$135,246 |
| Nov | \$156,319 | \$97,925 | \$254,244 | \$212,945 | \$77,174 | \$290,119 |
| Dec | \$264,232 | \$70,780 | \$335,012 | \$201,432 | \$89,140 | \$290,572 |
| | \$1,057,089 | \$496,295 | \$1,553,384 | \$978,378 | \$523,479 | \$1,501,857 |

Missing or Stolen Livestock

The number and type of livestock, which were reported missing or stolen in CY2014, are listed in Tables 5 and 6. When missing or stolen livestock are recovered either by investigators or law enforcement officials, the recovery is recorded. In most cases, if livestock are recovered by the owner, the recovery is not reported to the Brand Board. As a service to livestock producers, the *Tri-State Livestock News, Cattle Business Weekly, and The Aberdeen News Farm Forum Green Sheet* publish the Livestock Missing or Stolen Report at no cost to the Brand Board.

Table 5. Number and Type of Livestock Reported Strayed or Stolen in 2014.

| Month | Cows | Calves | Yearlings | Bulls | Horses | Sheep | Buffalo |
|---------|------|--------|-----------|-------|--------|-------|---------|
| Jan | 2 | 3 | 4 | 1 | 0 | 0 | 0 |
| Feb | 0 | 12 | 2 | 0 | 0 | 0 | 0 |
| Mar/Apr | 3 | 4 | 0 | 1 | 12 | 0 | 0 |
| May | 1 | 0 | 0 | 3 | 0 | 0 | 1 |
| June | 26 | 23 | 4 | 0 | 2 | 0 | 0 |
| July | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Aug | 40 | 42 | 0 | 6 | 0 | 0 | 0 |
| Sept | 7 | 13 | 6 | 0 | 0 | 1406 | 0 |
| Oct | 9 | 36 | 1 | 0 | 0 | 0 | 0 |
| Nov | 33 | 36 | 7 | 1 | 0 | 0 | 0 |
| Dec | 6 | 11 | 23 | 0 | 0 | 0 | 0 |
| Total | 127 | 180 | 47 | 12 | 14 | 1406_ | 1 |

Table 6. Number and Type of Livestock Reported Strayed or Stolen in 2013.

| Month | Cows | Calves | Yearlings | Bulls | Horses | Sheep |
|---------|------|--------|-----------|-------|--------|-------|
| Jan | 27 | 11 | 2 | 0 | 0 | 0 |
| Feb | 11 | 0 | 3 | 1 | 0 | 0 |
| Mar/Apr | 11 | 12 | 9 | 2 | 12 | 0 |
| May | 4 | 0 | 14 | 0 | 5 | 0 |
| June | 69 | 19 | 11 | 0 | 78 | 0 |
| July | 0 | 3 | 11 | 0 | 2 | 0 |
| Aug | 10 | 14 | 0 | 1 | 0 | 0 |
| Sep | 18 | 23 | 1 | 3 | 1 | 0 |
| Oct | 189 | 191 | 0 | 0 | 0 | 0 |
| Nov | 65 | 110 | 0 | 2 | 0 | 0 |
| Dec | 31 | 35 | 3 | 6 | 3 | 0 |
| Total | 435 | 418 | 54 | 15 | 101 | 0 |

Recovered Strays

Strays are also recovered by brand inspectors either performing a local inspection or while inspecting livestock at a livestock market. Table 7 shows the number and type of livestock recovered by inspections completed from 2010 thru 2014.

Table 7. Number and Type of Livestock Recovered by Brand Inspection, 2010 thru 2014.

| Year | Cow | Heifer | Calf | Steer | Bull | Horse | Total |
|------|-----|--------|------|-------|------|-------|-------|
| 2010 | 92 | 64 | 51 | 101 | 16 | 3 | 327 |
| 2011 | 90 | 85 | 80 | 31 | 18 | 5 | 194 |
| 2012 | 41 | 134 | 64 | 96 | 23 | 3 | 361 |
| 2013 | 178 | 91 | 172 | 87 | 10 | 2 | 540 |
| 2014 | 87 | 85 | 62 | 48 | 16 | 0 | 298 |

Brand Board Holds

The number of holds implemented at the livestock markets, feedlots, locker plants and in local inspections are included in Tables 1-2. The number of holds submitted to the Brand Board office, following the 60 day period, is shown in Table 8. The brand inspectors are doing an outstanding job in clearing holds so they are not sent to the brand office. This is a result of a close working relationship between the chief brand inspector, inspectors, investigation staff, office staff, and brand offices from surrounding states. A detailed listing of Holds Pending, Paid, and escheated to the Theft and Prevention Fund is included in the Appendix of this report.

Table 8. Number and Type of Livestock Holds Received, Paid to Livestock Owners and Transferred to Theft & Prevention Fund by Board Action in 2013 and 2014

| | Holds | Cow | Heifer | Calf | Steer | Bull | Horse | Amount |
|-------------------------|-------|-----|--------|------|-------|------|-------|----------|
| Holds Received CY2014 | 24 | 14 | 3 | 7 | 4 | 3 | 21 | \$31,648 |
| Paid to Livestock Owner | 24 | 17 | 4 | 0 | 0 | 2 | 4 | \$23,031 |
| To T&P* by Board Action | 10 | 3 | 2 | 0 | 2 | 2 | 2 | \$8,009 |
| Holds Received CY2013 | 43 | 29 | 4 | 3 | 3 | 2 | 15 | \$35,874 |
| Paid to Livestock Owner | 21 | 12 | 5 | 0 | 0 | 0 | 11 | \$15,523 |
| To T&P* by Board Action | 14 | 8 | 1 | 1 | 2 | 1 | 1 | \$10,766 |

^{*}Theft and Prevention Fund

Livestock Investigations

Livestock investigators are under the authority of the Attorney General's Office and supervised by the Division of Criminal Investigation. Currently there are two DCI livestock investigators. The Brand Board reimburses the AG's office for a majority of the expenses incurred by the investigators. Table 9 lists investigation information for 2013 and 2014.

Table 9. Number of Investigations Conducted and Disposition, 2013 & 2014.

| Item | 2013 | 2014 |
|--|------|------|
| Cases | 17 | 30 |
| Cases Closed | 17 | 10 |
| Cases Open/Under Investigation | 14 | 30 |
| Convictions | 3 | 6 |
| Arrests | 3 | 7 |
| Cases pending-turned over to State's Attorneys | 8 | 22 |
| Outstanding Warrant | 1 | 0 |
| Road Checks | 10 | 2 |
| Information Reports | 24 | 15 |

Other Information

The Brand Board office is also responsible for brand registration, transfers, and brand renewals. Table 10 shows the brand activity for 2012, 2013, and 2014. Brands are renewed every five years. If a brand owner does not renew their brand by May 1st of the renewal year, the brand owner has two years to re-record their brand before it is cancelled. The last renewal year was 2010 with the re-record period ending May 1, 2012. Therefore, 2013 and 2014 did not reflect any re-records. The Brand Board has printed the four supplements to the 2010 brand book. The brand book is online and can be found on the Brand Board's website www.sdbrandboard.com.

Any brands cancelled after the 2012 re-record period were available to the public after May 1, 2012. The next renewal period is January 1 - May 1, 2015. Any brands cancelled after the next re-record period will be available to the pubic after May 1, 2017. Applications for these brands must also go through the conflict check process.

Table 10. Brand Registration Activity.

| | 2012 | 2013 | 2014 |
|-----------------------|------|------|------|
| Re-Recorded Brands | 51 | N/A | N/A |
| New Brands | 429 | 269 | 415 |
| Transferred Brands | 549 | 556 | 624 |
| Applications Received | 861 | 850 | 928 |
| Brand Books Sold | 47 | 26 | 20 |

Appendix

South Dakota Brand Board

Disposition Detail of Brand Board Holds

Calendar Year 2014

| and Board | 110103 | | | | | | | | | |
|------------|----------------|--------|-----------|------|-------|------|-------|-------------|--------------|---|
| | <u>PENDING</u> | Number | of Livest | ock | | | | | | |
| Date Rec | Hold Number | Cow | Heifer | Calf | Steer | Bull | Horse | Amt Held | Market | Date Sold Description / Area |
| 1/7/14 | BB235 | | | | 1 | | | \$1,219.83 | Mobridge L/S | 12/19/13 1 Black Steer / Isabel, SD |
| 2/4/14 | BB236 | | | | 2 | | | \$2,266.72 | Faith L/S | 1/13/14 1 BWF Steer & 1 Black Steer / Howes, SD |
| 3/4/14 | BB239 | | | 2 | | | | \$1,539.23 | Presho L/S | 12/12/13 2 No Brand Calves / Ft Pierre, SD |
| 3/4/14 | BB240 | 1 | | | | | | \$1,042.63 | Presho L/S | 12/19/13 1 Black Cow / Presho, SD |
| 3/19/14 | BB242 | | | | | 1 | | \$757.23 | Faith L/S | 10/29/13 1 Black Bull / Bowman, ND |
| 4/16/14 | BB244 | | 1 | | | | | \$416.37 | Martin L/S | 1/6/14 1 Black Heifer / Martin, SD |
| 5/8/14 | BB246 | 1 | | | | | | \$975.09 | Philip L/S | 11/26/13 1 Black Cow / Fairburn, SD |
| 6/4/14 | BB248 | | | | | | 6 | \$130.23 | Gordon L/S | 5/27/14 6 Horses / |
| 7/7/14 | BB250 | 1 | | | | | | \$1,089.10 | Gordon L/S | 6/24/14 1 Black Cow / Porcupine, SD |
| 8/18/14 | BB252 | | | | | | 13 | \$2,156.40 | Gordon L/S | 7/14/14 13 Mixed Horses / Wounded Knee, SD |
| 8/5/14 | BB253 | | | 4 | | | | \$1,593.34 | Philip L/S | 4/22/14 4 Black Baby Calves / Elm Springs, SD |
| 8/5/14 | BB254 | 2 | | 1 | | | | \$2,846.26 | Philip L/S | 5/20/14 1 Pair and 1 Dry Cow / White River, SD |
| 8/5/14 | BB255 | | | | 1 | | | \$1,209.31 | Presho L/S | 6/19/14 1 Black Steer / Reliance, SD |
| 8/18/14 | BB257 | | | | | | 2 | \$818.28 | Gordon L/S | 5/27/14 2 Paint Geldings / Batesland, SD |
| 9/5/14 | BB258 | 1 | | | | | | \$1,195.87 | Hub City L/S | 9/2/14 1 Red Cow / ND |
| 9/19/14 | BB259 | 3 | | | | | | \$1,624.49 | Hand Co | 2012 3 Cows / Huron, SD |
| | | | | | | | | | | |
| Y 2014 HOL | DS PENDING | 9 | 1 | 7 | 4 | 1 | 21 | \$20,880.38 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| DATE HOLDE | | | | | | | | | | |
|------------|-------------|--------|------------|------------|-------|------|-------|-------------|-----------|-------------------------------------|
| | <u>PAID</u> | Number | of Livesto | ock | | | | | | |
| Date Rec | Hold Number | Cow | Heifer | Calf | Steer | Bull | Horse | Amt Held | Date Paid | Paid to |
| 8/23/13 | | 1 | | | | | | \$822.23 | | Eric Holter |
| 8/3/12 | | | | | | | 3 | \$481.77 | | Steven Anderson |
| 8/3/12 | BB182 | | | | | | | \$780.88 | | Richard Burd & Farm Bank |
| 5/21/13 | BB209 | | 1 | | | | | \$435.29 | | Douglas Edward Frein |
| 7/2/13 | BB219 | 1 | | | | | | \$735.93 | | Ronald Horstman |
| 3/13/13 | BB200 | 1 | | | | | | \$659.32 | 2/18/14 | Jim Schoenhard |
| 3/21/13 | BB201 | 1 | | - ALTON | | | | \$941.49 | | Jim Schoenhard |
| 10/5/13 | BB230 | | | | | | 1 | \$199.00 | | Max Dougherty AKA Michael Dougherty |
| 2/3/14 | BB237 | 1 | | | | | | \$875.95 | | Jason Franke |
| 3/14/14 | BB241 | | | | | 1 | | \$1,160.81 | 4/7/14 | Brad Bunker |
| 2/25/14 | BB238 | 1 | | | | | | \$873.45 | 6/13/14 | Levi / Lindsy Conry |
| 10/18/13 | BB228 | | | | - | 1 | | \$967.19 | | Todd Tamplin |
| 4/16/14 | BB243 | 1 | | | | | | \$713.87 | | Brian Chandler |
| 7/2/13 | BB220 | 1 | | | | | | \$882.47 | | Todd Assman |
| 7/23/13 | BB222 | 1 | | | | | | \$1,087.62 | | Gene Johnson & Wells Fargo Bank |
| 11/5/13 | BB231 | | 1 | | | | | \$902.27 | | Una Nelson (Yellow Bull) |
| 5/8/14 | | 1 | | | | | | \$1,787.22 | 7/7/14 | Russel Larson |
| 8/6/13 | | 2 | | - AMERICAN | | | | \$2,005.27 | 7/31/14 | Michael Assman |
| 7/1/14 | | 1 | | | | | | \$1,136.79 | | Chuck Steffan |
| 6/18/13 | | 1 | | | | | | \$872.21 | | S Ranch LLC & Stockman Bank |
| 8/5/14 | | | 2 | | | | | \$2,930.84 | | Kurt Barker |
| 12/2/13 | | 1 | | | | | | \$201.49 | | Roger Fiala |
| 3/7/13 | | 1 | | | | | | \$785.72 | | Steve Brown & First National Bank |
| 6/19/13 | | 1 | | | | | | \$791.74 | 12/15/14 | Curtis Temple |
| CV 2014 L | OLDS PAID | 17 | 4 | 0 | 0 | 2 | 4 | \$23,030.82 | | |
| G1 2014 N | OLDO FAID | - 17 | T | | + - | | 1 | | | |

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| rand Board | Holds | | | | | | | | | |
|------------|-------------|------------|--------|------|-------|------|-------|------------|-----------|---|
| | HOLD HEARI | <u>ING</u> | | | | | | | | |
| Date Rec | Hold Number | Cow | Heifer | Calf | Steer | Bull | Horse | | Date Paid | Paid to |
| 2/1/13 | BB192 | | 1 | • | | | | \$946.13 | | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 3/1/13 | BB194 | 1 | | | | | | \$376.89 | | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 3/1/13 | BB193 | 1 | | | | | | \$829.22 | 3/19/14 | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 6/18/13 | BB213 | | | | | | 2 | \$719.40 | 3/19/14 | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 6/27/13 | BB217 | | 1 | | | | | \$674.94 | 3/19/14 | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 4/11/13 | BB205 | | | | | 1 | | \$1,195.56 | | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 5/21/13 | BB208 | | | | 1 | | | \$428.36 | 6/11/14 | Hold hearing-T&Pre Fund-Estray - no ownership established |
| 6/11/13 | BB211 | 1 | | | | | | \$656.06 | | Hold hearing - T&P Fund - Estray - No Ownership Established |
| 7/1/13 | BB218 | | | | 1 | | | \$894.15 | 9/24/14 | Hold hearing - T&P Fund - Estray - No Ownership Established |
| 4/16/14 | BB245 | | | | | 1 | | \$1,288.67 | 9/24/14 | Hold hearing - T&P Fund - Estray - No Ownership Established |
| CY 2014 H | old Hearing | 3 | 2 | 0 | 2 | 2 | 2 | \$8,009.38 | | |
| - Mariana | | | | | | | | | | |