

Name of Organization: Nevada Board of Agriculture
Date and Time of Meeting: June 15 and June 16, 2010 at 8:30 am
Place of Meeting: Nevada Department of Agriculture
405 S. 21st Street
Sparks, NV 89431
Phone: (775) 353-3601

Minutes

June 16, 2010

A. Pledge of Allegiance

B. Introduction of Board Members and Guests

Board Members Present:

Paul Anderson
Grady Jones
Ramona Morrison
Paul Noe
Alan Perazzo
Jim Snyder
Dave Stix, Jr.
Hank Vogler

Board Members Absent:

Boyd Spratling (Excused)
Martin Plaskett
Dean Baker (Excused)

Staff Members Present:

Tony Lesperance, Director
Sandie Foley
Katie Armstrong, DAG
Dr. Phil LaRussa
Dr. Anette Rink
JoAnn Mothershead
Blaine Northrop
Holly Pecetti
Jack Spencer
Bill Striejewski
Lon Beal

Guests:

Doug Busselman, NV Farm Bureau
Peter Krueger, NPMA
Randy White, Clark Co. Air Quality
Meghan Brown, Nevada Cattlemen's

6. Livestock Identification Division

A. Division Update

JoAnn Mothers head: I'm going to start with the head tax update. Our first mailing we sent out 5,864 forms. As of Friday, we collected \$97,321.99. We added 646 new names to our send out list. As of the 11th, we have received 2,684 forms back in. Out of that 1,721 gave me \$5.00, the minimum; 236 claimed zero livestock or they were undeliverable. Our second mailing goes out Friday, the 18th. There are 2,741 forms that will be sent out with the second mailing. The cost of the second mailing is \$1,810.56.

Our livestock movement permits to date, the number of people requesting books is 198. That's up 40 from last year.

The number of permit books requested is 234. The number of permits returned to date is 465.

We have revoked one rancher's movement permit. We are monitoring several more.

Deputy Brand Inspector Randy Rowley along with an Elko County Sheriff's detective attended a meeting in Jordan Valley to discuss the ongoing problem regarding missing livestock in that area. There were representatives from Idaho, Oregon and Nevada at this meeting. Unfortunately, they really didn't get down to the necessities of missing livestock, it was mostly animal ID.

Two of our deputies, Irwin Miller in Schurz and Budie Ross in Reno are retiring. Unfortunately, we will not be able to replace them at this time.

7. Petroleum Technology Bureau

A. Request permission to submit a draft to LCB and then go to workshop and hearing to adopt as permanent, proposed changes to NAC 590 (Petroleum Products and Antifreeze).

Bill Striejewski, Sr. Petroleum Chemist: At this meeting I only have one action item for your deliberation and I think you'll find it pretty straight forward. The action item is essentially housekeeping in nature. During the update of the gas and biodiesel regulations over the past year or so as well as in my reading of NAC 590, it became clear that some of this updating was necessary.

What I see as the one of the most important changes to:

- To update the versions of the referenced ASTM Standards for a variety of fuels. Example of this: the diesel specifications NAC 590.050, as it is currently published refers to Standards in the 2002 Annual Book. So

it is nearly a decade old. As I looked through various other sections of the chapter, I saw that for other fuels as well. They are referencing versions from the early '00 or the early nineties.

Paul Anderson made a motion to approve going to workshop and hearing for cleaning up any NAC 590.

Hank Vogler seconded the motion. Motion passed.

8. Animal Industry

A. Division Update

Dr. LaRussa said Ms. Morrison at the last meeting requested some numbers as far as the generality of laboratory tests and Dr. Rink will provide some numbers to her – more correct than the wild, wild estimates that I gave you yesterday. So, if you forget the estimates given yesterday and we'll give you a little better numbers a little later in the presentation.

1. Animal Disease Traceability: Dr. LaRussa said the federal government had a program they called NAIS, National Animal Identification System which was trashed and thrown away. They spent about \$140,000,000 on it trying to develop requirements, specifically for identification of livestock, down to poultry. And right now, they redesigned, they've come out with a different name. The different name is ADT, Animal Disease Traceability. The Animal Disease Traceability, they're trying to pawn on the states as they're going to put requirements out for interstate movement and then everything that happens outside of that, all requirements for identification are going to be up to the states to develop requirements and rules.

At the present time, they've had working groups. The working group is looking at several different concepts. Among those concepts would be to put different classes and cattle of course would be the ones that they are starting on; to put different classes of cattle with different requirements. So when they initially started talking about every animal has to have a permit, official ID to move interstate, there was a lot of concern. And with that we certainly have people from our associations that are going to the meetings trying to see if there can't be a little bit of variety put into that where it can be a workable situation.

Now, the concept is more so breeding cattle to have that permanent individual identification. Feeder cattle, they're thinking that perhaps there can be different rules, for example, if I develop with another brand state a working arrangement, we might be able to move animals on a brands certificate – on brands, which you know, we're looking forward to hopefully, something along that line, because the individual identification aspect has problems. They ran into problems with the radio frequency ID tags – the RFID. Now they've back off and the federal government wants all identification to be the bright little metal tag that's unreadable

and falls out. And certainly we see problems with that. The positive aspect of that is the federal government will probably give them to us for free since they cost about 2 or 3 cents a piece compared to the \$1.40 that we're paying for the RFID tag.

So, a lot of things are up in the air. Starting May, 11th there were 5 national meetings to be held as far as input from industry. We have a meeting on the 24th of June in Salt Lake City which I believe we're going to have our personnel from Animal Industry there and I believe that Nevada Cattlemen's are going to attend. It's certainly a point where you want to get your opinions out there before something is shoved down your throat. The working group plans to have their responses ready in June for comment. From that draft, which obviously they are not going to have in June, the expectation is to have a provisional rule come out in November or December of this year. That rule will sit around for 90 days for which actual comment on the rule needs to be made. You need to keep your eyes open for around November, December for that actual rule to come out, because there definitely needs to be comment made on that rule. We do not expect it to be exactly what we can live with. So with that, it's just letting you know that once the federal government comes out with what they term "performance standards", then we'll be required to take further action. And luckily, we do not have slaughter facilities within the state that would require mass identification requirements and unfortunately, the federal government says it's up to the states to define, but that we have nothing to say about animals received or animals shipped to another, because they're going to be in charge of interstate movement. So, be aware November, December, a good opportunity to converse about animal disease traceability.

Dave Stix, Jr.: Are you saying that the essence of your discussion is that each individual state is going to be required to come up with a guideline for traceability and somehow that's going to all mold into interstate transportation?

Dr. LaRussa: Yes and no. Yes, you're correct. Every state has to come up with the animal disease traceability within their state. Interstate movement will still be governed by federal rule. And since the vast majority of our movement is interstate movement, since within state movement, we have brand inspections across districts, we have trip movement permits, we have pasture-to-pasture and we have pasture-to-pasture, a different pasture-to-pasture that I mentioned yesterday, that animal disease through Animal Industry takes care with other states. I don't envision that there is going to be a lot of difference to what we do within the state, but we are not even ready to go to workshop, hearing or whatever until we get the performance standards. The most important thing that you are interested in is the interstate movement and that's part of this June 24th meeting to get input in Salt Lake City.

Dave Stix, Jr.: You said the most important thing about Nevada, there are no facilities to process. So, everything, to be able to market livestock in Nevada, you have to be able to go out of state. The other thing that you said that I appreciate because I can show you bags and bags of the little radio button that we've collected

in the feedlots that have fallen out. But we haven't found any brands that have fallen out on the ground.

Dr. LaRussa said on a personal note, we are all aware of the budget problems that Animal Industry has faced and is facing and the concerns. I really want to thank everybody who was totally involved in the state veterinarian position and all the assistance that was received then. Of special note, I want to thank Dave, Jim, and Allen and Boyd that went to the IFC meeting and took time out of their busy schedule and certainly the Nevada Cattlemen's with Meghan, Ron Cerri, and J. J. had tremendous impact. I really appreciate it, everything they've done in trying to save the Department of Animal Industry. Thank you very much.

2. USAHA Bighorn Sheep Working Group – Dr. Rink.

Dr. Rink said her report today is a quick update on the USAHA Bighorn Sheep Working Group. I have reported on that before. As I reported last time about my disappointment that the best management practices that had been developed over the last two years have not been accepted by the Sheep and Goat Committee of USAHA. Miraculously, they changed their minds and have realized that this is probably a very useful document for all over the United States and actually do graze on public lands because it's a consent document between wildlife veterinarians and the sheep industry and does show that sheep grazing and/or livestock grazing on public land actually can be accomplished and it's absolutely possible to mitigate any type of risk. I think it is a very timely thing for the woolgrowers to actually accept that on a national basis, because I think in the very near future, this constant argument of whether there is possible disease transmission between Bighorn sheep and domestic sheep, or Bighorn sheep and other livestock species is going to be put to rest because there is going to be a publication in the July issue of the Journal of wildlife diseases that with very elegant and very cutting edge technology does show that disease transmission can happen.

So I think that is a good step in the right direction. At the 2007 meeting, the working group was tasked to come up with a prioritized list of further research objectives. The original working group as appointed by the USAHA had a total of 8 or 9 members. The chairs of the Sheep and Goat Committee and the Wildlife Disease Committee found that it was a little bit too cumbersome to go to the second round and develop these research objectives. So, there are 4 people now on this smaller committee that is going to basically develop this list of research objectives and priorities. One of them is Mike Miller, who is the Senior Wildlife Veterinarian for the Colorado Department of Wildlife, Nancy East who is a Professor Emeritus from UC Davis and who is herself a woolgrower, Walt Cook who used to be the Wyoming State Veterinarian and is now the research coordinator for the Greater Yellowstone Area. He is the one who is supposed to organize the research objectives for brucellosis transmission on the wildlife livestock interface. The fourth person is myself. We've had one conference call so far and discussed preliminarily where we need to go. I've run that by Board member Hank Vogler and also by the

Woolgrowers. This is basically going to focus on the inherent inability of Bighorn sheep to mount an effective immune response and their significant susceptibility to pneumonia which makes them extremely vulnerable. The whole disease transmission issue is not going to be a major research objective because the committee feels at this point that with mitigation measures that's been taken care of. As long as sheep are managed, the disease risk from sheep, the risk of disease transmission from domestic sheep to Bighorn sheep is controlled. So this is really a Wildlife disease project essentially.

3. Laboratory Update/National Animal Health Laboratory Network – Dr. Rink.

As far as the lab update or where the NAHLN is concerned. I have to tell you that I have had to suspend our membership with the National Animal Health Laboratory Network, because we are not financially able to stay in this exclusive club. Part of the membership basically entails that we have to have reagents for these high impact disease tests which we are not able to purchase at this point. The probes and primers basically deteriorate over a certain period of time, so I have to reestablish them and retest them every 6 to 9 months. They cost about \$4,500 and its money we just don't have. We can probably reapply next fiscal year when I have enough money to again buy reagents, but we'll only apply for testing for Avian Influenza. We're not going to apply for testing capabilities for Foot and Mouth Disease, Classic Swine Fever or Exotic Newcastle Disease, which were the other 3 tests, because financially that's not feasible for us to do. The reason why we are trying to get reestablished for Avian Influenza testing is because we have one more year where we have a chance to actually make up to \$40,000 on a blanket purchase agreement with Wildlife Service by testing their and NDOW's Avian Influenza samples that they generate in the statewide wildlife surveillance.

To just give you a brief overview of where we've been in the past; in the fiscal year '05 and up to date, we've had varying incomes. Originally, we had the income of Coggins testing, that's really one of the two tests that we've been charging for since before 2002. The vast majority of the Coggins testing that we do, we do on contract with the BLM. The BLM is not willing to pay us anymore than they do right now, because we're already charging more than a lot of other labs do in the United States. The reason why they are willing to stay with us is because they are getting exceptionally good service from us. However, if we continue to raise our prices, we're not competitive and so the \$8.50, we have reached the glass ceiling. The maximum that we've tested in the last 5 years, 12,000 Coggins tests, so that was an income of about \$96,000. The highest income year was our fiscal year '08 with a \$156,536.00 in lab income, which is \$91,130 of Coggins testing, and \$65,405 out of other lab fees. The lowest income year at this point was fiscal year '06. We only had \$56,700 out of Coggins testing. Again that was a year when BLM gathered very few horses off the range. We had only \$31,128 in other lab fees in that year for a total of \$87,828 income.

This year we're slated to probably make about \$150,000. As of yesterday, we had taken in \$43,985 in EIA testing fees and \$69,596 in other lab testing fees. We currently are sending invoices of about \$30,000 to the BLM, about \$10,000 private clients and about \$10,000 of blanket purchase agreements either for Avian Influenza testing or for Bovigam testing which is the new USDA purchase agreement that I was able to secure.

The reason why we are going to be quite a bit below the income on the Coggins testing side, and I had anticipated for this year, it's because the gathers were stopped in March, because of the massive protests and so that cost us about 2,500 tests that we didn't run. And these 2,500 were lost in both in Northern California and in Nevada. So, I'm hoping that the gathers are going to continue in fiscal year '11, but actually as you probably know there is no guarantee for that.

As I've indicated, my submission under 8.4, that is why in this particular test, we're not proposing at this point to raise the fees for this for the reasons I've just explained. If you will go to Page 217 [in the Board packet], on the price list that I've given you there, I've indicated the "blue" lines are basically the tests that we have not charged for in the past and then we will start a charge for it fiscal year '11.

There are a couple of reasons why we've never charged for that, obviously rabies and plague are two very important public health associated issues. We had general fund and generally the consensus was that these diseases that are invariably fatal, we should not be charging for those. If somebody has an animal that they need tested for that, we should take care of that for them. We will now have to try to get a charge through the veterinarian or through Animal Control. I've contacted Animal Control about that and we'll have to try and see how much of that we can actually take in. Obviously, I'm not willing to tell somebody who brings in a bat, we've just had two bats test positive; both with human exposure. I will not be telling people that come in with animals, 'I will not test this animal', because I'm not going to take the responsibility to expose a person to a fatal disease, because we had our \$25,000 general fund jerked. That isn't going to happen. So, until we actually close the doors, these tests are going to be run, because I personally don't think that it is correct to do this, it's not right and I don't think the Department and/or the Board wants the liability of that either.

Chairman Perazzo asked Dr. Rink what it costs to do a test?

Dr. Rink responded our cost is \$50.00.

As far as brucellosis and pseudorabies is concerned, we have not charged for that in the past. Those are surveillance diseases obviously. Other states' prices vary quite a bit. Several states don't charge for that because obviously these are also high impact diseases and it behooves the states to actually do surveillance for these tests. We used to do these for free. Those days are over. Any producer who wants

to have a brucellosis test or has to have a brucellosis test done for whatever reason will have to pay for that now.

The Bovine Gamma Interferon; we actually now, as I mentioned before, we have a blanket purchase agreement with USDA and we are charging \$40 for that; we are testing for Oregon and Nevada. As far as the Johne's is concerned, the reason why it has Johne's ELISA, Johne's bacteriology and Johne's PCR on here as diagnostic only is because it's a program we were able to actually qualify, we essentially established the expertise in the lab to do this type of testing. There is not a huge amount of demand for this. We used to have a cooperative agreement with USDA to test for Johne's. It is a disease that in Nevada, it is not an essential problem for the beef cattle industry, but it is a limited problem for the dairy industry. The program was scrapped because in the United States a political decision was made not to accept the scientific connection between Johne's disease in cattle and Crohn's disease in humans. In Europe that has been accepted as being proven at this point. So other countries in the western world have a Johne's disease control program. The United States scrapped theirs.

We are not able financially right now to continue proficiency testing which means we cannot do official regulatory testing for this year which puts this test essentially in the same category as the NAHLN testing. We checked with NVSL on this and they said if you can, because we have always qualified and we do have the expertise, we can now basically offer that to whoever would like to have that test done as a diagnostic test for management purposes, but it certainly isn't a regulatory test. If an animal is being tested because it's sold or it's for interstate transport, our test, we are not able to actually satisfy that testing requirement. That producer would have to go out of state and will have to pay out of state costs in a different state.

4. Request approval from the Board of Agriculture to approve the proposed ADL fee schedule effective July 1, 2010.

So these are the tests; [referring to page 217 in the Board packet], the red ones are the ones that we are going to continue to charge for as required on the diagnostic only basis and the blue ones are the ones that we basically do and/or modified charges. So I would like to request the Board's approval for this new fee schedule which I would like to have effective July 1st, 2010.

Dave Stix, Jr., asked Dr. Rink the very first price is a necropsy - \$30.00. I am trying to put it in perspective. It seems to me that's a very affordable deal to have cow or calf cut open here to try to find.....

Dr. Rink said it is a very affordable deal for a cow and calf producer. The idea was to keep it low for the producer because it is something that affects the income of the producer. As far as the companion animal was concerned, a lot of people feel it's too high. So, we actually lost quite a bit of business on the companion animal side. The reason why the State has a vested interest in keeping these fees affordable is

because really it is up to us to do surveillance. We get some other diseases in of some of these animals. Right now we have a salmonella outbreak in a veterinary hospital here. We have private people that have pets and companion animals that have zoonotic diseases. The only way we can figure out if there is a public health risk is by asking them to pay a modest charge of \$30.00 and which enables us to figure out what we have out there. Is this a modest fee? Yes. Does it cover our costs? No. Right now, we have four veterinarians that are general fund based. If that money goes away, quite frankly, I do not believe that we will ever generate the amount of necropsy volume that is required to actually maintain a full veterinarian position. So, can I write this up 20%, 50%, 100%? Yeah. Are we going to lose submissions? Yes, we already do.

Dave Stix, Jr. said your statement towards the end was that no matter what we charge at the end of the day, we're not going to make up to afford?

Dr. Rink: Correct.

Dave Stix, Jr. made a motion to approve. Ramona Morrison seconded the motion. Motion passed.

9. Resource Protection Division

Jack Spencer, Wildlife Services, represented Mark Jensen who was on vacation. The logistics of it, we're just finishing up some our spring lambing and spring calving time. As these dryer temperatures go up, of course the sheep and cattle move up on the mountain to more areas where there is vegetated matter for them which is the importance of our field folks being out with them because our aerial program usually ceases movement this time of year. In the next couple of months, we'll have personnel on horseback working some of these remote areas.

This year, so far and this is again, in general. I'm not going to specific producers, in general I've been here about 14 years. I have had more good things about the sheep industry this year in Nevada than any year prior to when I've been here. Even though we have had some of the worst weather; the worst weather for wind and our airplanes. A lot of good positive feedback from the sheep producers.

We're seeing what budgets do, and seeing what monies we can get from other sources. We finished on the urban side, which we do all this work out the agriculture side. We've been in the news quite a bit the last few weeks. We've been picking up geese, rounding them up. And again that is for urban environments for the protection of airports so we don't have birds in jets.

10. Measurement Standards Division

A. Division update.

Lon Beal from Weights and Measures said he some informational points to present to the Board this morning.

I'm going to start off this morning; we call it the Weights and Measures System. I'm going to go through this a little bit. I know we've got some new members and some of the members who have been on board for awhile are not aware of some of the issues that we've had in the Weights and Measures Division with our software system. Some of you are painfully aware of it, we are painfully aware of it. We've gone back to what we used to call the Weights and Measures System. We've gone away from the GLS; I don't mention that too much. That system did costs us about \$300,000 and did not work. We went back to our old system.

The old system is an old Access database that was developed by DoIT, the Department of Information Technology. It was highly effective for what we use it for; which was essentially licensing. We have modified it because a component did not have – this is actually what the system looks like now. (PowerPoint).

Lon described the various aspects of the system to the Board members. Lon said he is working on a GIS component for the future. We don't have the capability right now. We had some other priorities. The priority was to get the other components of this working.

Last year under the GLS system, it took us three and a half weeks to generate 2,800 invoices. Right now it will take us 4 minutes to generate about 2,600 invoices. The other system was seriously broken. We've been able to query this system in many different ways and we're starting to get some really good data out of it. More importantly, we are getting clean data out of it. The GLS system allowed for duplications; we had many duplicate records. It depended on who was entering the data. We had situations where the gas station had 18 pumps and was getting billed for 36. It was a nightmare for us.

We are going to be billing pretty much on time this year. We are required to bill by August 1st.

Lon wanted to point out that the previous system, the GLS system, was a proprietary system.

11. Department employee comments and suggestions to the Board of Agriculture.

None

12. Public Comments

None

13. Date of next meeting

Dave Stix, Jr. made a motion that the next Board meeting be September 21 and 22, beginning at 8:00 am.

Ramona Morrison seconded the motion. Motion passed.

14. Adjournment

Dave Stix, Jr. made a motion to adjourn the meeting. Ramona Morrison seconded the motion. Motion passed.

Adjourned at 11:00 am.