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CALL TO ORDER 1:05 P.M. Friday, August 25, 2017

ROLL CALL: (Telephonic Attendance)

Chairman Bill Sauble	Donald Martinez
Bebo Lee	Kevin Elfering
David Kincaid	Dwain Nunez
Effie Walker	

NOT ON CALL: Loren Horton

NMLB STAFF:

P. Robert Alexander, Interim Executive Director	Andrew Silva, CFO
Joseph Holloway, Chief General Counsel	Priscilla Peña-Johnson, HR Manager/Administrator
Dr. Ralph Zimmerman, NM State Veterinarian	

VISITORS: Ms. Caren Cowan, NM Cattle Growers Association

APPROVAL OF AGENDA:

Mr. Lee moves to approve the agenda. Mr. Kincaid seconds the motion to approve the agenda. All in favor. All in favor. Motion passes.

APPROVAL OF MINUTES:

Minutes from the June 28, 2017 Board Meeting presented. Ms. Walker moves to approve the June 28<sup>th</sup> meeting minutes. Mr. Lee seconds the motion. All in favor. Motion passes.

ANIMAL HEALTH ISSUES:

Dr. Ralph Zimmerman, NM State Veterinarian, presented an update on TB status throughout the state. Dr. Zimmerman explained that last November we were notified by USDA that they had picked up a TB positive or TB compatible animal at Caviness through slaughter surveillance. The DNA on the cow matched the DNA on the tag matched the DNA on the lesion. Traced it back to a dairy in Artesia. Two dairies there share a heifer raising facility. Both facilities were quarantined and testing began in January. One dairy is about 5200 head and one is about 5500 head. Positive culture back that it was MBovis initial testing at the first dairy picked up 18 positive animals, primarily all cows. Nothing positive at the second dairy. They shared raising of young heifers on the second dairies premise and the older heifers and the springing heifers were on a third property. Ninety days later, 137 calves reacted in both dairies. It was a specific age group. We had a problem with pasteurization but we created a worse problem. Picked up positive premise on the 2<sup>nd</sup> dairy and more positive cows on the 1<sup>st</sup> premise. Once the necropsies were done out of 137 calves each one had about 50 of them that were truly lesioned and the others were just caudal fold reactors. Pretty significant infection in the first dairy. We started going back and forth with Veterinary Services to find some resolution and plans. We got no response. Cattle Health Center did not respond. The hub up in Fort Collins (CSU) they wanted to do a complete

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depopulation on the first dairy. But did not say what they wanted to do on the 2<sup>nd</sup> dairy. What we asked to do was a partial depopulation and just take those calves under 11 months of age out. They still have not offered any solution for 2<sup>nd</sup> dairy. We have a great relationship with our local office. Dr. Zimmerman has spoken to number 2 in Veterinary Services. Asked for time at the TB summit to discuss the issue. We have been through our 5<sup>th</sup> reiteration locally of an indemnity plan for the 1<sup>st</sup> herd and they keep sending it back without information as to why. Prices were consistently low compared to what market value was. We got an indemnity offer for the first herd which was 7.5 million. The locally produced indemnity offer was at \$9.3 million which more closely reflected fair market value. The producer showed where he was receiving \$500 to \$600 more per cow as salvage for beef than they were offering for a dairy cow. The numbers were way off. He presented a counter offer of \$9.1 million which I presented to Veterinary Services. We need support. We have since contacted the Secretary of Agriculture, Dairy Producers and the representative at the Governor's Office. Dr. Zimmerman feels that we are being failed and ignored by USDA Veterinary Services. Their own rules dealing with TB outbreak requires quick response to protect neighboring herds and wildlife. They have been dragging their feet since the last test in May. No response. The primary herd has not been tested since May since we believed we were going to go to slaughter with those animals. When we got the offer approved we would test within 60 days. Only those animals with a negative caudal fold test can go to slaughter. Next test will come up in November. The owner of the second herd will continue making milk and he will work on test and cull and work that way. It looks like 7-9 years to test out of this. The owner of the first herd is willing to sell out with a reasonable offer. We keep testing every 90 days and culling out the animals that respond. We are still waiting for a reply for Veterinary Services on the counter offer. What we need from the Board, from the Governor's Office, from our local representatives, Dairy Producers, Department of Agriculture is to voice concerns. They (the feds) are looking to get out of the indemnity business. They threatened us by losing our current TB free status. This will affect the entire cattle herd in this state which will affect New Mexico's commerce and business. We are looking for support, political pressure and money. Every 90 days we are traveling and taking 2-3 veterinarians to the southeast corner of the state. Not in our current budget. We need something to operate on. Dr. Zimmerman is hitting the feds up for more cop-op agreements.

Chairman Sauble asked if under the current rules, it is allowed to test out. Yes, with an indemnity offer it is the producer's option to take the indemnity or to test out. The threat to drop us in status is not consistent with the rule as currently written.

Mr. Kincaid asked if we could create a zone or do we have to wait until we lose our status and then create the zone? No conversations have happened about creating the zone. But we will bring it up. Two separate premises even though related.

Chairman Sauble asked Andrew Silva what we would have to do to declare an emergency or be eligible for emergency funds. Would we be given that we have a cash reserve? We would request a special appropriation for whatever our emergency operational needs are. They would make a determination based on need. There is a set amount of dollars and they would determine who gets part of that. Andrew and Dr. Zimmerman will meet and evaluate if that is the right path. Funding was swept but we

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were promised by numerous legislators that in case of emergency, funding would be there. Mr. Lee asked if we needed to exhaust current reserves before we ask for emergency funds. Mr. Silva stated that the fund balance would be a factor in whether or not we receive emergency funds. Also considered is whether or not that fund balance is spoken for already. The agency can make a pretty good case that just in personnel and salaries, the fund balance is pretty well spoken for. If we are starting with a 2 million dollar fund balance at the beginning of FY18 this year, we are scheduled to use a million. At the start of FY19, presumably we are scheduled to use another million dollars. There is no more left. The agency will not offer indemnity but use the funds to cover extra hours. Majority of hours the veterinary staff put in will be due to TB testing. Looking at \$4500 to \$5000 for hotels, travel and meals while testing. Travel and overtime expenses. Mr. Silva will request that we receive more general funds in FY19 and utilize less of our fund balance.

Just wanted to ensure that the board is up to speed on the current issues. No action required. Dr. Zimmerman is working with the Governor's Office on a letter. Executive Director and State Vet can pursue through their channels with USDA APHIS and continue to make our case. If any of us have contacts USDA we should work those angles.

Second topic for today is the Border. Dr. Zimmerman is the chairman of a committee put together by Dr. Jack Sheer of Veterinary Services to try to address the rumblings from receiving states that they are getting Mexican steers and heifers coming through Santa Teresa Port. Much of the problem is how the federal paperwork is handled. New Mexico has the largest cattle port in the world and since it is ours I was suggested as the chairman. Once cattle are in New Mexico it is a state to state problem not a federal problem. The feds will become involve only if someone is flat out breaking laws across state lines. We can file a federal complaint and then they would conduct an investigation. We need to come up with a way that works for the state to state transfer. Have had a couple of meetings. Put together a list of the problems and went to the director of the port. They understood traceability was an issue. 17-30s (Federal International Health Certificate) do not identify the cattle. We do not know where the cattle have gone. Western States meeting was held here in April and they toured the port. The vets presented to the brokers. Form 1 with real address not just the city or the administrative office. Last national assembly phone call, the entire western half are willing. It received a go ahead to implement. Now the brokers do not want to pay their inspection fees. Need assistance to figure out where the Governor stands on this. If we say shut the ports down until we get the paperwork we need will the Governor back that. No response or status on where they stand. We don't want to interfere with commerce but we do need the Mexican cattle traveling in and through New Mexico to meet the same guidelines that we ask for American cattle. Chairman Sauble suggested that we send something to the Governor's Office outlining what the problem is and what our solution is. Chairman also suggests that Dr. Zimmerman and Mr. Alexander sit down with the Governor's Office staff and brief them on what the requirements from other states are and what we have to do to meet them. Mr. Alexander stated that they will arrange a meeting.

MINUTES OF THE NEW MEXICO LIVESTOCK  
TELEPHONIC BOARD MEETING  
FRIDAY, AUGUST 25, 2017  
1:00 P.M.

NMLB ADMINISTRATIVE OFFICE  
300 SAN MATEO NE  
STE. 1000  
ALBUQUERQUE, NM 87108

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**RECRUITMENT FOR EXECUTIVE DIRECTOR:**

Closes August 31<sup>st</sup>. Nine applicants so far. Once the posting closes, resumes will be sent to all board members along with a matrix where we will score the applicants. We then will select the top 4 or 5 to do interviews on. Would rather not interview all of them. Matrix is developed off of the advertisement. The board will interview and select the top 3 candidates. The names will go to the Governor's Office to do a background check. The names that clear the background check come back to the board and the board will make a selection. Late September or early October looks like the earliest to interview. Only board members will participate in the interviews.

**PUBLIC COMMENTS:**

Ms. Cowan had no comments. She did ask if the board had worked with Jeff Witte. Ms. Cowan stated that he has been very helpful in helping them contact the Governor's Office. Mr. Witte is thought of well at the Governor's Office.

**BOARD CONCERNS:**

No concerns.

**ADJOURNMENT:**

Ms. Walker moves to adjourn. Mr. Lee seconds the motion. All in favor. Motion carries. Meeting adjourned at approximately 2:1 p.m.

APPROVAL:

*Bill Gough*