

MINUTES
OF THE
MEETING OF THE BOARD OF DIRECTORS
OF THE
FEDERAL CROP INSURANCE CORPORATION

A meeting of the Board of Directors (Board) of the Federal Crop Insurance Corporation (FCIC) was held on May 9-10, 2012 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
May 9-10, 2012

The meeting was called to order at 2:45 pm, May 9, 2012, in Room 6610 of the South Building, U.S. Department of Agriculture, Washington, DC, in open session.

Call to Order
Open Session

The Board immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of private products under the Federal Crop Insurance Act (Act). The executive session continued on May 10, 2012 in Room 108A, Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

Executive Session

The open session of the Board reconvened on May 10, 2012, at 1:45 pm in Room 108A, Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

Reconvene Open
Session

David Grahn read the recitation to all members of the Board to advise the Board of its responsibilities in representing the interests of the FCIC and USDA and advised each member to act accordingly.

Recitation

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist; Susan Rogers, James Nickel, Ellen Linderman, Maggie Goode, Mike Pickens and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were David Grahn, Kim Arrigo and Michael Knipe of the Office of the General Counsel; Misty Jones, Farm and Foreign Agricultural Services; Barbara Leach, Associate Administrator, Tim Witt, Thomas Worth, Tim Hoffmann, Bill Bing, Ron Lundine, Tim Davis, Kimberly Smith-Brown and Terri LaGarde of RMA; Velerie Eddleman, Farm Service Agency; Clif Parks and Keith Schumann, Agrilogic; Ken Ackerman, Olsen, Frank and Weeda; Stanley

Fletcher, University of Georgia; Andy Bell, Georgia Peanut Commission; Scott Bissett, North Carolina Department of Agriculture; Rob Cerda, Crop Insurance Services; Alex Offerdahl, Watts and Assoc. and Jim Callan.

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Murphy noted that: Indemnities from 2011 currently are \$10.75 billion and are the highest in the history of the Federal crop insurance program. He also stated that RMA received a favorable decision in a National Appeals Division (NAD) Directors Review of an appeal of the 2008 Group Risk Plan Rangeland indemnity payments and the United States Court of Appeals for the Fourth Circuit issued a favorable unpublished opinion for RMA in a case for 2008 Sweet Potatoes, which upholds the final agency decision issued December 30, 2008.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4076)

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes of the meeting of the Board held on March 1, 2012.

Dispense with Reading – Minutes

The motion carried. (Exhibit 4077)

Approved

Chairman Glauber brought Docket No. CI-Section 508(h) Confidential Submission 0035 05-10-12 01 to the floor.

Confidential Submission 0035

Chair Glauber then offered the following resolution, which was seconded:

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0035 05-10-12 01, Exhibit 4078, the Board approves expert review for Confidential Submission 0035 and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter in to and execute contracts with the persons or entities on the attached list, or the alternates in case the

proposed persons are not available, to review the Confidential Submission 0035 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4078)

Approved

The next action item before the Board was Docket No. CI- Section 508(h) Confidential Submission 0036 05-10-12 01.

Confidential Submission 0036

Chair Glauber offered the following resolution, which was seconded:

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI- Section 508(h) Confidential Submission 0036 05-10-12 01, Exhibit 4079, the Board approves expert review for Confidential Submission 0036 and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter in to and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the Confidential Submission 0036 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4079)

Approved

The Chairman stated that the next two items before the Board, Docket No. CI – Section 508(h) Confidential Submission 0037 05-10-12 01 and Docket No. CI – Section 508(h) Confidential Submission 0038 05-10-12 01, were withdrawn by the submitters.

Confidential Submissions 0037 and 0038

Chairman Glauber brought Docket No. CI–Section 522(b) Concept Proposal 125 05-10-12 01 to the floor and offered the following resolution, which was seconded:

Concept Proposal 125

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept

proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI–Section 522(b) Concept Proposal 125 05-10-12 01, Exhibit 4082, the Board approves expert review of Concept Proposal 125, once all the information specified by RMA needed to allow for a meaningful review has been provided, and directs that:1) the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review Concept Proposal 125 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4082)

Approved

Docket No.CI–Confidential Submission Section 522(b) Concept Proposal 126 was the next action item before the Board.

Concept Proposal 126

The Chair offered the following resolution, which was seconded:

RESOLVED: That pursuant to the information contained in Docket No.CI–Confidential Submission Section 522(b) Concept Proposal 126, Exhibit 4083, as well as other material submitted to the Board on this matter, the Board hereby approves Concept Proposal 126 beginning with the first crop year that the Manager determines is practicable with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 508(h) of the Federal Crop Insurance Act. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4083)

Approved

Concept Proposal 126 refers to a Specialty Corn plan of insurance submitted by Watts and Associates, Inc., Richland Organics, Clarkson Grain, Sunny State Products, and Enogen Corn.

Docket No. CI-Cultivated Clam Pilot Insurance Program 05-10-12 01 was the next action item before the Board.

Cultivated Clam Pilot Program

The Chair offered the following resolution, which was seconded:

RESOLVED: That pursuant to the information contained in Docket No. CI-Cultivated Clam Pilot Insurance Program 05-10-12 01, Exhibit 4084, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves the continuation of the Cultivated Clam Pilot Insurance Program for the 2013 and succeeding crop years, with such modifications as discussed by the Board to address the issues raised in the contractor review and with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(c) of the Federal Crop Insurance Act, is hereby approved. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4084)

Approved

Chairman Glauber then thanked Terri Lagarde for her assistance to the Board and wished her well in her new position at the Foreign Agricultural Service.

There being no further business the Board voted to adjourn and to meet again August 7-9, 2012, in Washington, DC.

Adjourn

May 10, 2012

_____/signed/
Cindy Spoor, Secretary
Federal Crop Insurance Corporation