

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 September 17-18, 2014, in Room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting
September 17-18,
2014

The meeting was called to order at 1:00 pm on September 17, 2014 in open session.

Call to Order
Public Session

The Board immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of products under section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

The open session of the Board reconvened at 1:30 pm on September 18, 2014.

Reconvene Public
Session

Kim Arrigo 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.

Recitation

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist and Chairperson, USDA; Ellen Linderman, Maggie Goode, Iris Saenz, Kenneth Ray Sneed, John Finston and Jim Bardenhagen, constituting a statutory quorum; and Brandon Willis, Manager, and Cindy Spoor, Secretary, FCIC.

Present

Also present were Kim Arrigo, Office of the General Counsel; Robert Johansson, Deputy Chief Economist, USDA; Tim Witt, Tim Hoffman, Tom Worth, Bill Bing, Sydnee Chattin, Margo Erny, Leiann Nelson, Richard Flournoy, Pat Engel, and Ron Lundine of RMA; Alex Offerdahl, Watts and Assoc.; Clif Parks and Keith Schumman, Agrilogic and Dr. Stanley Fletcher, University of Georgia.

Chairman Glauber asked Brandon Willis, FCIC Manager for the Manager's Report. Mr. Willis stated that the Manager's Report is available on line at www.rma.usda.gov and noted that Heather Manzano was selected as the Deputy Administrator for Compliance and Robert Ibarra is serving as Acting Deputy Administrator for Insurance Services. Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4226)

Manager's Report

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 August 14, 2014.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit 4227)

Approved

Chairman Glauber offered the following resolution for Docket No. CI – Section 522(b) Concept Proposal 134 09-18-14 02, which was seconded:

Concept Proposal
134

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 134 09-18-14 02, Exhibit 4228, the Board approves expert review of Concept Proposal 134 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 134 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 4228)

Approved

The Chair then offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0035 09-18-14 02, Exhibit 4229, which was seconded:

Confidential
Submission 0035

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to approve the implementation 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 Docket No. CI-Section 508(h) Confidential Submission 0035 09-18-14 02, Exhibit 4229, as well as other material that were submitted to the Board on this matter, the Board approves the implementation of Confidential Submission 0035 beginning in the 2015 crop year and directs that the Manager of the Corporation be authorized to take such action as necessary to ensure the implementation of Confidential Submission 0035.

There being no discussion the Board voted to approve the resolution. (Exhibit 4229)

Approved

Confidential Submission 0035 is a Peanut Revenue Insurance Product submitted by AgriLogic Consulting, LLC, and the Georgia Peanut Commission in cooperation with Western Peanut Growers Association.

The Chair then offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0049 09-18-14 02, which was seconded:

Confidential
Submission 0049

RESOLVED, that pursuant to the information contained in in Docket No. CI-Section 508(h) Confidential Submission 0049 09-18-14 02, Exhibit 4230, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board approves Confidential Submission 0049, under section 508(h) of the Federal Crop Insurance Act (Act) 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 sections 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 but there was insufficient voted to approve Confidential Submission 0049. (Exhibit 4230)

Not Approved

The Chairman brought to the floor Docket Nos.;

Reimbursement
Requests

Docket No. CI- Reimbursement Request – Cottonseed Endorsement – 09-18-14 01; and

Cottonseed
Endorsement

Docket No. CI- Reimbursement Request – Popcorn Revenue – 09-18-14 01; and

Popcorn Revenue

Docket No. CI- Reimbursement Request – Pulse Crop Revenue – 09-18-14 01; and

Pulse Crop
Revenue

Docket No. CI- Reimbursement Request – Specialty Canola – 09-18-14 01; and

Specialty Canola

Docket No. CI- Reimbursement Request – Specialty Corn – 09-18-14 01; and

Specialty Corn

Docket No. CI- Reimbursement Request – Specialty Trait Soybeans; and	Specialty Trait Soybeans
Docket No. CI- Reimbursement Request – Camelina – 09-18-14 01; and	Camelina
Docket No. CI- Reimbursement Request – GRP-Sugarcane – 09-18-14 01; and	GRP Sugarcane
Docket No. CI- Reimbursement Request – Louisiana Sweet Potato – 09-18-14 01; and	Louisiana Sweet Potato
Docket No. CI- Reimbursement Request – Machine Harvested Cucumbers – 09-18-14 01; and	Machine Harvested Cucumbers
Docket No. CI- Reimbursement Request – Machine Harvested Cucumbers – 09-18-14 01; and	Machine Harvested Cucumbers
Docket No. CI- Reimbursement Request – Downed Rice Endorsement – 09-18-14 01; and	Downed Rice
Docket No. CI- Reimbursement Request – Olive-APH – 09-18-14 01; and	Olive-APH
Docket No. CI- Reimbursement Request – Texas Citrus Tree – 09-18-14 01; and	Texas Citrus Tree
Docket No. CI- Reimbursement Request – Annual Forage-Rain Fall Index – 09-18-14 01; and	Annual Forage-Rainfall Index
Docket No. CI- Reimbursement Request – Trend Adjusted APH – 09-18-14 01, Exhibit 4168.	Trend Adjusted APH

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in the dockets listed herein, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the requested reimbursement of research and development or maintenance costs using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act in the following amounts:

\$42,039.03 for maintenance costs for Docket No. CI-Reimbursement Request – Cottonseed Endorsement – 09-18-14 01, Exhibit 4232; and

\$29,080.94 for maintenance costs for Docket No. CI-Reimbursement Request – Popcorn Revenue – 09-18-14 01, Exhibit 4233; and

\$60,264.81 for maintenance costs for Docket No. CI-Reimbursement Request – Pulse Crop Revenue – 09-18-14 01, Exhibit 4234; and

\$21,847.72 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Canola – 09-18-14 01, Exhibit 4235; and

\$30,802.50 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Corn – 09-18-14 01, Exhibit 4236; and

\$30,875.35 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Trait Soybeans – 09-18-14 01, Exhibit 4237; and

\$5,079.50 for maintenance costs for Docket No. CI-Reimbursement Request – Camelina – 09-18-14 01, Exhibit 4240; and

\$2,035 for maintenance costs for Docket No. CI-Reimbursement Request – GRP-Sugarcane – 09-18-14 01, Exhibit 4241; and

\$150,795.64 for maintenance costs for Docket No. CI-Reimbursement Request – Louisiana Sweet Potato – 09-18-14 01, Exhibit 4242; and

\$93,137.89 for maintenance costs for Docket No. CI-Reimbursement Request – Machine Harvested Cucumbers – 09-18-14 01, Exhibit 4243; and

\$216,735.39 for research and development costs for Docket No. CI-Reimbursement Request – Machine Harvested Cucumbers – 09-18-14 01, Exhibit 4244; and

\$130,547.73 for maintenance costs for Docket No. CI-Reimbursement Request – Downed Rice Endorsement – 09-18-14 01, Exhibit 4245; and

\$90,946.82 for maintenance costs for Docket No. CI-

Reimbursement Request – Olive-APH – 09-18-14 01, Exhibit 4246; and

\$60,275.34 for maintenance costs for Docket No. CI- Reimbursement Request – Texas Citrus Tree – 09-18-14 01, Exhibit 4247; and

\$235,170.72 for maintenance costs for Docket No. CI- Reimbursement Request – Annual Forage-Rain Fall Index – 09-18-14 01, Exhibit 4248; and

\$162,445.12 for maintenance costs for Docket No. CI- Reimbursement Request – Trend Adjusted APH – 09-18-14 01, Exhibit 4249.

There being no discussion, the Board voted to approve. (Exhibits 4232-4237 and 4240-4249)

Approved

The Chair then stated that the Board determined that: Docket Nos. CI- Reimbursement Request – Crop Margin Coverage – 09-18-14 01, Exhibit 4238, CI- Reimbursement Request – Malt Barley Revenue– 09-18-14 01, Exhibit 4239, CI- Reimbursement Request – Sprinkler Irrigated Rice – 09-18-14 01, Exhibit 4250; and CI- Reimbursement Request – Crop Margin Coverage – 09-18-14 01, Exhibit 4251 were not ready for Board action.

Reimbursement Requests

Chairman Glauber then noted that the Board would send a letter of intent to disapprove to the submitters of Confidential Submission 0049.

Confidential Submission 0049

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

Cultivated Clam Pilot Program

RESOLVED, that pursuant to the information contained in Docket No. CI- Cultivated Clam Pilot Insurance Program 09-18-14 02, Exhibit 4252, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board hereby terminates the Cultivated Clam Pilot Insurance Program in Florida beginning with the 2015 crop year, and authorizes the Federal Crop Insurance Corporation to convert the Cultivated Clam Pilot Insurance Program to a permanent program as soon as possible in all other states (Massachusetts, South Carolina, and Virginia) where Cultivated Clams are produced with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager under the authority contained in section 523(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)(4)). AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as

