

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 16, 2015, in Room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting
September 16,
2015

The meeting was called to order at 12:30 pm on September 16, 2015 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 3:45 pm on September 16, 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 Robert Johansson, Chief Economist and Chairperson, USDA; Ellen Linderman, Margaret Goode, Iris Saenz, Kenneth Ray Sneed, John Finston (phone) and Jim Bardenhagen, constituting a statutory quorum; and Cindy Spoor, Secretary, FCIC.

Present

Also present were Kim Arrigo and Isabel Rosa, Office of the General Counsel; Tim Witt, Tim Hoffman, Tom Worth, Bill Bing, Margo Erny, Matt Mitchell, Tara Ponds and Ron Lundine of RMA; Alex Offerdahl, Watts and Assoc.; Ken Ackerman, Olson, Frank and Weeda; Clif Parks, Agrilogic and Dennis Daggett, ProAg.

Chairman Johansson stated that the Manager's Report is available on line at www.rma.usda.gov . (Exhibit 4299)

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 12, 2015.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit 4300)

Approved

The Chairman brought to the floor Docket Nos.;	Reimbursement Requests
Docket No. CI- Reimbursement Request – ARPI-Popcorn 09-16-15 01; and	ARPI Popcorn
Docket No. CI- Reimbursement Request – Malt Barley Endorsement 09-16-15 01; and	Malt Barley Endorsement
Docket No. CI- Reimbursement Request – Margin Protection 1 09-16-15 01; and	Margin Protection
Docket No. CI- Reimbursement Request – Popcorn Revenue 09-16-15 01; and	Popcorn Revenue
Docket No. CI- Reimbursement Request – Pulse Crop Revenue 09-16-15 01; and	Pulse Crop Revenue
Docket No. CI- Reimbursement Request – Specialty Canola 09-16-15 01; and	Specialty Canola
Docket No. CI- Reimbursement Request – Specialty Corn 09-16-15 01; and	Specialty Corn
Docket No. CI- Reimbursement Request – Specialty Trait Soybeans 09-16-15 01; and	Specialty Trait Soybeans
Docket No. CI- Reimbursement Request – Downed Rice Endorsement 09-16-15 01; and	Downed Rice
Docket No. CI- Reimbursement Request – Olive APH 09-16-15 01; and	Olive-APH
Docket No. CI- Reimbursement Maintenance Request – Peanut Revenue 09-16-15 01; and	Peanut Revenue Maintenance
Docket No. CI- Reimbursement R&D Request – Peanut Revenue 09-16-15 01; and	Peanut Revenue R&D
Docket No. CI Reimbursement Request – Texas Citrus Tree 09-16-15 01; and	Texas Citrus Tree
Docket No. CI- Reimbursement Request – Camelina 09-16-15 01; and	Camelina
Docket No. CI- Reimbursement Request – Clary Sage 09-16-15 01; and	Clary Sage

Docket No. CI- Reimbursement Request – Machine Harvested Cucumbers 09-16-15 01; and	Machine Harvested Cucumbers
Docket No. CI- Reimbursement Request – Louisiana Sweet Potato 09-16-15 01; and	Louisiana Sweet Potato
Docket No. CI- Reimbursement Request – Annual Forage-Rain Fall Index 09-16-15 01; and	Annual Forage-Rainfall Index
Docket No. CI- Reimbursement Request – High Amylose Corn 09-16-15 01; and	High Amylose Corn
Docket No. CI Reimbursement Request – Margin Protection 2 09-16-15 01; and	Margin Protection
Docket No. CI- Reimbursement Request – Sprinkler Irrigated Rice 09-16-15 01; and	Sprinkler Irrigated Rice
Docket No. CI- Reimbursement Request – Trend Adjusted APH 09-16-15 01.	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:

\$138,726.93 for research and development costs for Docket No. CI- Reimbursement Request – ARPI-Popcorn 09-16-15 01, Exhibit 4301; and

\$508,049.18 for research and development costs for Docket No. CI- Reimbursement Request – Malt Barley Endorsement 09-16-15 01, Exhibit 4302; and

\$948,863.62 for research and development costs for Docket No. CI- Reimbursement Request – Margin Protection 1 09-16-15 01, Exhibit 4303; and

\$83,232.21 for maintenance costs for Docket No. CI- Reimbursement Request – Popcorn Revenue 09-16-15 01, Exhibit 4304; and

\$115,500.91 for maintenance costs for Docket No. CI-Reimbursement Request – Pulse Crop Revenue 09-16-15 01, Exhibit 4305; and

\$79,123.68 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Canola 09-16-15 01, Exhibit 4306; and

\$76,719.00 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Corn 09-16-15 01, Exhibit 4307; and

\$60,740.88 for maintenance costs for Docket No. CI-Reimbursement Request – Specialty Trait Soybeans 09-16-15 01, Exhibit 4308; and

\$137,341.04 for maintenance costs for Docket No. CI-Reimbursement Request – Downed Rice Endorsement 09-16-15 01, Exhibit 4309; and

\$159,776.57 for maintenance costs for Docket No. CI-Reimbursement Request – Olive APH 09-16-15 01, Exhibit 4310; and

\$234,888.88 for maintenance costs for Docket No. CI-Reimbursement Maintenance Request – Peanut Revenue 09-16-15 01, Exhibit 4311; and

\$638,254.78 for research and development costs for Docket No. CI-Reimbursement R&D Request – Peanut Revenue 09-16-15 01, Exhibit 4312; and

\$217,724.70 for maintenance costs for Docket No. CI-Reimbursement Request – Texas Citrus Tree 09-16-15 01, Exhibit 4313; and

\$320.77 for maintenance costs for Docket No. CI-Reimbursement Request – Camelina 09-16-15 01, Exhibit 4314; and

\$209,050.19 for research and development costs for Docket No. CI-Reimbursement Request – Clary Sage 09-16-15 01, Exhibit 4315; and

\$69,702.33 for maintenance costs for Docket No. CI-Reimbursement Request – Machine Harvested Cucumbers 09-16-15 01, Exhibit 4316; and

\$25,871.58 for maintenance costs for Docket No. CI- Reimbursement Request – Louisiana Sweet Potato 09-16-15 01, Exhibit 4317; and

\$309,811.93 for maintenance costs for Docket No. CI- Reimbursement Request – Annual Forage-Rain Fall Index 09-16-15 01, Exhibit 4318; and

\$156,473.88 for research and development costs for Docket No. CI- Reimbursement Request – High Amylose Corn 09-16-15 01, Exhibit 4319; and

\$358,172.48 for research and development costs for Docket No. CI Reimbursement Request – Margin Protection 2 09-16-15 01, Exhibit 4320; and

\$171,444.36 for research and development costs for Docket No. CI- Reimbursement Request – Sprinkler Irrigated Rice 09-16-15 01, Exhibit 4321; and

\$188,593.88 for maintenance costs for Docket No. CI- Reimbursement Request – Trend Adjusted APH 09-16-15 01, Exhibit 4322.

There being no discussion, the Board voted to approve. (Exhibits 4301-4322)

Approved

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

Hybrid Sweet
Corn Seed Pilot
Program

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 in Docket No. CI- Hybrid Sweet Corn Seed Pilot Crop Insurance Program 09-16-15 01, Exhibit 4323, the Board approves the implementation of the Hybrid Sweet Corn Seed Pilot Program and directs that the Manager of the Corporation be authorized to take such action as necessary to ensure the implementation of the Hybrid Sweet Corn Seed Pilot Program.

There being no discussion, the Board voted to approve. (Exhibit 4323)

Approved

The Chair offered the following resolution; which was seconded:

Pistachio Pilot
Program

RESOLVED, that pursuant to the information contained in

Docket No. CI- Pistachio Pilot Crop Insurance Program 09-16-15 01, Exhibit 4324, 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 Pistachio Pilot Crop Insurance Program on a pilot basis with such modifications as discussed with the Board, 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) and 523(a)(4)(b) 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. (Exhibit 4324)

Approved

The Chair offered the following resolution which was seconded.

County Crop
Program
Deletions

RESOLVED, That Docket No. CI – County Crop Program Deletions 09-16-15 01, Exhibit 4325, authorizing the Federal Crop Insurance Corporation to delete twenty six county crop insurance programs for the counties and crops listed in the attachment, effective for the 2016 or 2017 crop year as applicable, since FCIC has determined that these programs have had no participation reported between crop years 2010 and 2014 or had excessive risks.

There being no discussion, the Board voted to approve. (Exhibit 4325)

Approved

Chairman Johansson then made the following statement:

Adjourn

Requests for funding of concept proposals are required to provide an estimate of total costs of research and development. The Federal Crop Insurance Board of Directors (Board) takes seriously those cost estimates in its consideration of concept proposals and submissions. The Board is concerned because it has received requests for research and development of the approved submission where the costs claimed greatly exceed the total cost estimates provided with the concept proposals. To address those concerns the Board will develop procedures to improve estimates, including notice and justification of cost overruns.

The Board has also expressed concerns regarding the amount of hours claimed in the concept proposals and requests for reimbursement for research and development. The Board will also be developing procedures to assist it in determining the

reasonableness of the hours claimed and information that may be required to justify the hours.

There being no further business to come before the Board the meeting adjourned to meet again, November 17-19, 2015* in Washington, DC.

September 16, 2015 /signed/
 Cindy Spoor, Secretary
 Federal Crop Insurance Corporation

*It was later determined that the Board would meet November 17-18, 2015 in Washington, DC.