USDA

June 3, 2016

TO: Board of Directors
              Federal Crop Insurance Corporation

FROM: Brandon C. Willis   *Brandon Willis*
              Manager

SUBJECT: Manager's Report
              Exhibit No. 4340

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors meeting on June 3, 2016.

Research, Contracts, Studies, and Workgroups

Dollar Plan of Insurance: The Risk Management Agency (RMA) is developing a statement of work to evaluate the Dollar Plan of Insurance. The study is intended to determine if this program is meeting the needs of producers or if an alternative plan should be considered.

Vegetable and Flower Seed: RMA issued a notice of intent to solicit a contract for the research and development of a crop insurance product for vegetable and flower seed crops. To help RMA determine whether it should explore the feasibility of developing a program, it is seeking input from interested parties on the level of interest in a potential program and availability of yield and price data.

Data and Systems

Acreage and Crop Reporting Streamlining Initiative (ACRSI): For spring 2016, the ACRSI Team expanded the acreage report data sharing to all 50 states on the following 11 crops and two land uses: alfalfa, corn, cotton, Conserve Reserve Program (CRP) land, fallow land, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. Expanding availability of the ACRSI framework broadens the platform for improved policy integration and will allow advancements in data sharing capabilities among USDA agencies. Lessons learned will continue to be used to improve the common data reporting methods, and in the development of additional processes, procedures, and information technology development for ACRSI implementation.

Planting Date Administration

In 2015, Insurance Services began a new project which takes a holistic review of RMA's planting date administration. Expected results accomplished through a more proactive review include up to an 80 percent reduction in the Insurance Services Regional Office staff burden necessary to establish dates, improved program integrity by reducing excessive risk in the program, and enhanced oversight and consistency.

Outreach/Education/Collaborative Media

2016 Request for Applications (RFAs): On May 5, RMA Insurance Services announced through Grants.gov and RMA's public website the availability of $8.7 million in funding for risk management education and training of farmers and ranchers. The funding will go toward proposals in two categories: $4.4 million for the Crop Insurance in Targeted States Program, and $4.3 million for the Risk Management Education Partnerships Program. Applications for both programs are due by 11:59 p.m. EST on July 3, 2016.

Improper Payment Reviews for Fiscal Years (FY) 2016

RMA developed a more comprehensive sampling methodology for the Improper Payments Elimination and Recovery Improvement Act 2017 reporting period and obtained OMB's approval for 2017 and beyond. RMA statistically selected a sample of policies from across the program for review from the 2015 reinsurance year. A total of 680 policies were selected and will be reviewed to estimate an improper payment rate for the program as a whole, as well as for each AIP. On April 13, 2016, Compliance requested the AIPs provide all applicable policyholder and AIP documentation to RMA by June 6, 2016. Compliance will commence its review once it receives the documents from the AIPs.

Compliance Process Re-design Initiative

On May 10, 2016, Eagle Hill Consulting provided a draft of the revised Compliance Manual and the AIP Performance Review Handbook. These guidelines are the result of a joint Compliance and Eagle Hill year-long review and analysis of Compliance's current processes to make them consistent and more streamlined. Eagle Hill will train the Regional Compliance Office investigators in Kansas City.

Staff Changes

Chad Sheridan is now the Senior Executive Service Chief Information Officer for RMA.