

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 August 9, 2012 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting  
August 9, 2012,

The meeting was called to order at 9:00 am, August 9, 2012, in Room 108A, Jamie Whitten 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).

Executive Session

The open session of the Board reconvened on August 9, 2012, at 11:30 am.

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 (phone) and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Robert Johansson, Deputy Chief Economist; David Grahn, Kim Arrigo, Hillary Caron and Michael Knipe, Office of the General Counsel; Barbara Leach, Associate Administrator, Tim Witt, Thomas Worth, Kimberly Smith-Brown, Sydney Steed, Delianny Almonte and Tammy Jackson, RMA; present by phone were Tim Hoffmann, Bill Bing, Ron Lundine, and Tim Davis, of RMA; Clif Parks and Bill Smith, Agrilogic; Ken Ackerman, Olsen, Frank and Weeda; Reese Langley, USA Rice; James Callan, JC Assoc.; Todd Susie, Konner Rogers, Paula Monterde, and Eldon Gould; and Alex Offerdahl, Watts and Assoc.

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)). Mr. Murphy noted that RMA is redesigning the Price Discovery application that provides prices and volatility factors for the revenue based insurance offers. The public reporting features of the new application will include a modern layout, user tools, the ability for handling data, and eventually be accessible by mobile phone application. The initial version of the website will be launched in late August 2012 in a "Public Test" format. Mr. Murphy also stated that RMA has received many drought related questions from producers and approved insurance providers (AIPs). To assist in answering these questions, RMA has developed a document "2012 Drought Questions and Answers." This document is available on the RMA Website.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4085)

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 May 10, 2012.

Dispense with Reading – Minutes

The motion carried. (Exhibit 4085)

Approved

Chairman Glauber brought Docket No. CI-Section 508(h) Confidential Submission 0036 08-09-12 02.

Confidential Submission 0036

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

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0036 08-09-12 02, Exhibit 4087, as well as other materials that were submitted to the Board on this matter, the Board hereby conditionally approves the revisions of Confidential Submission 0036 beginning with the first crop year 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. This Board approval is contingent upon the following terms: RMA and the submitter working out the issues raised by the Board to the

satisfaction of the Manager in such a manner as to protect program integrity and actuarial soundness, and report the resolution at the September Board meeting.

There being no discussion the Board voted to approve the resolution. (Exhibit 4087)

Approved

Confidential Submission refers to a Downed Rice Endorsement plan of insurance submitted by the USA Rice Federation and Agrilogic Consulting.

The next action item before the Board was Docket No. CI- Section 508(h) Confidential Submission 0039 08-09-12 01.

Confidential  
Submission 0039

Chair Glauber offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0039 08-09-12 01, Exhibit 4088, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0039, with the modifications as discussed in Executive Session with the submitter for the 2013 insurance year, 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 522(b)(4)(D) 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 4088)

Approved

Confidential Submission 0039 refers to a request by AgForce, Inc. to charge AIPs a user fee for the Apiculture plan of insurance beginning with the 2013 reinsurance year.

Chairman Glauber brought No. CI-Section 508(h) Confidential Submission 0040 08-09-12 01 to the floor and offered the following resolution, which was seconded:

Confidential  
Submission 0040

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0040 08-09-12 01, Exhibit 4089, as well as other material that were submitted to the Board on this matter, the Board hereby approves Confidential

Submission 0040 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 4089)

Approved

Confidential Submission 0040 is a request for a county expansion for the Pulse Crop Revenue plan of insurance submitted by Watts and Associates, Inc., on behalf of the Northarvest Bean Growers Association, and the United States Dry Pea and Lentil Council.

Docket No. CI–Section 522(b) Concept Proposal 127 08-09-12 01 was the next action item before the Board.

Concept Proposal  
127

The Chair offered the following resolution, which was seconded:

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 Docket No. CI–Section 522(b) Concept Proposal 127 08-09-12 01, Exhibit 4090, the Board approves expert review for Concept Proposal 127 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 127 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 4090)

Approved

Docket No. CI-Actual Revenue History (ARH) Cherry Pilot Insurance Program 08-09-12 01 was the next action item before the Board.

ARH Cherry Pilot Insurance Program

The Chair offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained Docket No. CI-Actual Revenue History (ARH) Cherry Pilot Insurance Program 08-09-12 01, Exhibit 4091, 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 ARH Cherry Pilot Insurance Program on a pilot basis with expansion in select counties in California, Oregon, Washington, and Michigan at the discretion of the Manager and with those modifications that were discussed with the Board in the briefing session for the 2013 and succeeding crop years, 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, 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 4091)

Approved

Chairman Glauber then thanked end of term Board members for their service and presented plaques of appreciation to end of term (September 2012) Board members Susan Rogers and Jamie Nickel and to end of term (October 2012) Board members Luis Monterde and Mike Pickens.

There being no further business the Board voted to adjourn and to meet again September 18-20, 2012, in Kansas City, MO and then November 14-15, 2012 in Washington, DC.

Adjourn

August 9, 2012

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/signed/  
Cindy Spoor, Secretary  
Federal Crop Insurance Corporation