

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 February 7, 2013, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
February 7, 2013

The meeting was called to order at 9:00 am, February 7, in Room 6610, South Agriculture 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 February 7, at 11:00 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, USDA; Michael Scuse, Under Secretary for Farm and Foreign Agricultural Services; James Bardenhagen, John Finston, Margaret Goode, Ellen Linderman, Kenneth Sneed, and Iris Saenz and Brandon Willis, Acting Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Barbara Leach, Associate Administrator, Michael Alston, Patricia Engel, Kent Lanclos, Margo Erny and Tammy Jackson of RMA; Kim Arrigo and David Grahn, Office of the General Counsel; Rob Johansson, Deputy Chief Economist; Duke Lane, Lane Southern Orchards, Cliff Parks, Agrilogic Inc.; and present by phone were: Tim Witt, Tim Hoffmann, Sydnee Chattin, Tim Davis, Bill Bing and Ron Lundine of RMA.

Chairman Glauber asked Brandon Willis for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Willis noted that: as of January 28, 2013, the Federal crop insurance program has paid out over \$10.8 billion in indemnity for 2011 and \$13 billion for 2012 and roughly 88 percent of the 2012 losses can be attributed to the devastating drought challenging the country:

RMA released materials for the Downed Rice Endorsement for the 2013 crop year: and for the 2012 crop year, a trend adjustment procedure for actual production history (APH) yields was made available for corn and soybeans and for 2013, trend adjustments will be expanded to additional counties for corn and soybeans and will also be expanded to wheat, canola, cotton, grain sorghum and rice in certain locations.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4122)

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 November 15, 2012.

The motion carried. (Exhibit 4123)

Chairman Glauber stated that Docket No. CI-Section 508(h) Confidential Submission 0035 02-07-13 01 had been withdrawn by the submitter. (Exhibit 4125)

Chair Glauber then offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 128 02-07-13 01, which was seconded:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to consider paying an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed in to a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 128 02-07-13 01, Exhibit 4124, the Board approves the advance payment of \$244,177 for Concept Proposal 128, as authorized under Section 522(b) of the Federal Crop Insurance Act.

By approving the advance payment of estimated research and

Manager's Report

Dispense with Reading – Minutes

Approved

Confidential Submission 0035

Concept Proposal 128

development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitter. The submitter will be required to prove that all costs are necessary and reasonable.

By accepting the advance payment, the applicant agrees to provide a submission consistent with Section 508(h) of the Act to the Board in the January, 2014 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4124)

Approved

There being no further business to come before the Board voted to adjourn and to meet again May 7-9, 2013, in Washington, DC.

Adjourn

February 7, 2013

/signed/
Cindy Spoor, Secretary
Federal Crop Insurance Corporation