



November 17, 2016

**United States
Department of
Agriculture**

Federal Crop
Insurance
Corporation

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
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TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Brandon C. Willis */signed/*
Manager

SUBJECT: Manager's Report
Exhibit No. 4384

This is the Manager's Report to the Federal Crop Insurance Corporation Board of Directors (FCIC) meeting on November 17, 2016.

Research, Contracts, Studies, and Workgroups

Garlic: The Risk Management Agency (RMA) developed a statement of work to solicit a contract for the research and development of a crop insurance product for garlic. The contract was awarded October 20, 2016, and the contractor will begin work on a data gathering report, which will be evaluated to determine if development of an insurance program is feasible.

Data and Systems

Acreage and Crop Reporting Streamlining Initiative (ACRSI): For Fall 2016, ACRSI data standards have been added to allow two new crops, barley and rapeseed/canola, to be reported through ACRSI. This brings the number of crops that can be reported through the new ACRSI common reporting system to 14 crops and Conservation Reserve Program acres across the nation in all 50 states. The 14 crops that can be reported are: alfalfa, barley, corn, cotton, fallow, grass, oats, peanuts, rapeseed/canola, rice, rye, sorghum, soybeans, and wheat.

Risk Management Education

2016 Risk Management Education Cooperative Agreements: In September 2016, RMA's Insurance Services Division entered into 75 cooperative agreements for \$8.9 million in funding for the Crop Insurance in Targeted States Program and Risk Management Education Partnerships Program. The Crop Insurance in Targeted States Program backs development of crop insurance education programs where there is a low level of Federal crop insurance participation and availability. The Targeted States are Alaska, Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Additionally, the Risk Management Education Partnerships Program provides funding for the development of general nationwide crop insurance education as well as other risk management training programs for producers. In FY 2017, recipients will provide producers with risk management training on education priorities

such as Whole-Farm Revenue Protection (WFRP), Actual Production History (APH), recordkeeping, specialty crops, organics, livestock, and Pasture, Rangeland, and Forage (Rainfall Index).

Whole-Farm Revenue Pilot Program / Organic Crop Insurance / Beginning Farmer

Outreach Tour in New Mexico: The Oklahoma City Regional Office arranged an outreach tour in New Mexico for RMA Administrator Brandon Willis and two representatives from Senator Heinrich's office joined the tour from October 13-14. A representative from Congressman Steve Pearce's office was also in attendance. Several action items were identified as a way to make RMA programs work better for New Mexico farmers and ranchers.

Office of the Chief Financial Officer

FCIC/RMA Financial Statements for fiscal years 2016 and 2015: The exit conference for the audit of the FCIC/RMA financial statements was held on November 4, 2016. The USDA Office of Inspector General issued an unmodified opinion with no material weaknesses or significant deficiencies. The material weakness related to Estimated Losses on Insurance Claims from prior years was resolved. Product Management and CFO staff worked diligently to improve processes, documentation, and internal controls in this area resulting in the closure of the material weakness.

Compliance

Improper Payment Review: Compliance has reviewed approximately 75 percent of the 680 policies selected for the 2017 improper payments review. Compliance plans to have the remaining policies reviewed and any initial findings issued to the Approved Insurance Providers (AIPs) by the end of the calendar year.

Compliance Process Re-design Initiative: Compliance is piloting its AIP Performance Reviews (APRs) at three AIPs, using the revised APR Handbook. The Regional Compliance Offices have completed the planning stage of the reviews and are on target with the scheduled site visits at Rain and Hail, NAU Country Insurance, and International Ag, which should be completed by the end of November.

Personnel Announcements

Richard Flournoy is the new Deputy Administrator for Product Management.