



Federal Crop  
Insurance  
Corporation

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September 18, 2018

**TO:** Board of Directors  
Federal Crop Insurance Corporation

**FROM:** Martin R. Barbre /signed/  
Manager

**SUBJECT:** Manager's Report  
Exhibit No. 4490

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors meeting on September 18, 2018.

### **Program Changes**

**Whole-Farm Revenue Protection (WFRP)** - The Risk Management Agency (RMA) revised the WFRP plan of insurance for the 2019 and subsequent policy years. RMA consulted with stakeholders and made modifications and clarifications to the WFRP policy based on their feedback.

**Prevented Planting Coverage Factors** - RMA has been evaluating and updating prevented planting coverage factors for each crop offering prevented planting protection. For the August 31, 2018, contract change date, RMA reviewed safflower and the prevented planting coverage factor will remain unchanged at 60 percent. For the November 30, 2018, contract change date, RMA is reviewing dry beans, green peas, millet, popcorn, processing beans, processing sweet corn, tobacco, ELS cotton, and sugar beets.

**Processing Tomato Contract Requirement** - For the 2018 crop year only, RMA will accept delivery schedules in lieu of the processor contract to determine the liability under Section 3(b) of the crop provisions up to August 31, 2018. The delivery schedule must be provided by the processor and reflect the tonnage to be delivered. The processor contract must be provided no later than October 20, 2018.

### **Outreach**

**Strawberry Policy** - During the week of August 27, 2018, staff from RMA's Product Design Branch and Valdosta Regional office met with Florida Strawberry Growers to discuss development of a new strawberry policy in Florida.

## **Regulatory Changes**

**Sugar Beet Crop Provisions:** RMA is amending the Sugar Beet Crop Insurance Provisions via final rule with request for comments, published in the Federal Register on September 10, 2018. The intended effect of this action is to update existing policy provisions and definitions to better reflect current agricultural practices. RMA will accept written comments on this final rule until close of business October 10, 2018. RMA will consider these comments and make changes to the rule if warranted.

## **Risk Management Education (RME) and Targeted States Partnership Programs**

On May 29, 2018, RMA announced the availability of \$8.89 million for RME applications, or \$4.16 million for Risk Management Education Partnership (RMEP) and \$4.73 million for the Targeted States Program. The application period closed on July 30, 2018, and program experts reviewed 147 applications totaling \$19.7 million. An additional \$2 million was recently made available to the RMEP program, increasing the available amount from \$4.16 million to \$6.16 million. With this funding, RME expects to enter into approximately 56 RMEPs for the development of general nationwide crop insurance education as well as other risk management training programs for producers.

For the Targeted States Program, RMA expects to fund approximately 25 projects that back the 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. In summary, RME expects to award around 81 projects this year for \$10.89 million. All awards will be made and agreements finalized by September 30, 2018.

## **Hurricane Lane – Hawaii**

Hurricane Lane was downgraded from a category 3 hurricane to a tropical storm before approaching Hawaii. The storm provided record levels of rainfall on Hawaii County, Hawaii, causing flooding on the island from August 22-26. In one location the storm dumped 52.02 inches of rain. Other islands were not as impacted as the island of Hawaii.

There have been few reports loss notices, primarily due to wind speeds that were not as bad as anticipated. Some flooding occurred on the Hilo Side of the Big Island, where a much of the Macadamia Nut acreage is located but have not been any reports of downed trees.

The following table shows RMA’s insurance experience for the 2018 Reinsurance Year for Hawaii.

County	Year	Policies	Acres	Liability	Total Premium	Subsidy	Indemnity
<b>ALL HI Counties</b>	<b>2018</b>	<b>150</b>	<b>27,938</b>	<b>\$ 119,029,961</b>	<b>\$ 1,150,321</b>	<b>\$ 720,162</b>	<b>\$ 624,807</b>
Hawaii	2018	136	24,677	\$ 92,868,714	\$ 813,998	\$ 511,582	\$ 624,807
Honolulu	2018	2	-	\$ 336,608	\$ 1,763	\$ 1,602	\$ -
Kauai	2018	5	2,775	\$ 20,496,370	\$ 190,300	\$ 125,459	\$ -
Maui	2018	7	486	\$ 5,328,269	\$ 144,260	\$ 81,519	\$ -

### **Compliance**

RMA Compliance has issued final findings to reinsured companies for the period of August 2018:

- Premium overstatements of \$148,804;
- Indemnity overpayments of \$135,825;
- Premium understatements of \$1,778,597; and
- Indemnity underpayments of \$0.

### **Improper Payment Elimination and Recovery Improvement Act (IPERIA) Reviews:**

RMA’s Regional Compliance Offices continue to conduct reviews of the documents submitted by the producer’s and Approve Insurance Providers (AIPs) to determine if any improper payments were made. Closure letters or Initial Findings will be submitted to the AIPs as reviews are completed.

### **Personnel Announcements**

Ron Lundine retires on September 28, 2018.