



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

November 18, 2015

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Brandon C. Willis /signed/
Manager

SUBJECT: Manager's Report
Exhibit No. 4327

This is the Manager's Report to the Federal Crop Insurance Corporation Board of Directors (FCIC) meeting on November 18, 2015.

Research, Contracts, Studies, and Workgroups

Study on Poultry Catastrophic Disease Program: As required by the Agricultural Act of 2014, RMA contracted with a third party to provide a feasibility study for poultry catastrophic disease losses. RMA expects to publish the report later this fall.

Swine Catastrophic Disease Loss Feasibility Study: As required by the Agricultural Act of 2014, RMA contracted with a third party for a study to determine the feasibility of insuring swine producers for a catastrophic event. RMA expects to publish this report later this fall.

Poultry Business Interruption Insurance Policy: As required by the Agricultural Act of 2014, RMA contracted with a third party to carry out research and development regarding a policy to insure commercial poultry producers against business interruptions caused by the bankruptcy of the poultry integrator. RMA expects to publish the report later this fall.

Price Volatility Review for Rice: Due to limited trading of rice contracts, RMA was unable to offer revenue coverage for rice during the 2015 crop year. RMA contracted with a third party to explore alternative pricing methods and is implementing applicable recommendations to improve the availability of rice revenue coverage in the future.

Data and Systems

Acreage and Crop Reporting Streamlining Initiative (ACRSI): The ACRSI Team conducted a limited pilot program for 2015 spring crops in Illinois and Iowa. Pilot crops included alfalfa, corn, conservation reserve program, fallow, grass, oats, rye, soybeans, and wheat. The pilot allowed participating producers to complete their acreage report with either their insurance agent, their Farm Service Agency (FSA) County Office, or a specified third party, and have that information shared as appropriate to satisfy other

USDA program reporting requirements. Lessons learned from the spring pilot informed process, procedure, and IT changes for the next phase of the pilot.

The ACRSI Team is conducting a greatly expanded but still limited 2015 fall expansion for the same crops with fall 2015 acreage reporting dates. The fall expansion will be open to all producers in all counties in Arkansas, Delaware, Georgia, Illinois, Indiana, Iowa, Kentucky, Maryland, Montana, North Carolina, North Dakota, Pennsylvania, South Carolina, South Dakota, and Tennessee. Lessons learned from the fall expansion will again inform process, procedure, and IT changes and enhancements for the next phase of the pilot.

Compliance

RMA Compliance has entered into a contract with Eagle Hill consultants to review current process and procedures related to addressing program integrity issues and to recommend changes to make RMA Compliance activities more effective and efficient. Over the last several months, Eagle Hill consultants have traveled to several regional compliance offices, interviewed employees throughout the agency, and reviewed current procedures. On October 30, 2015, Eagle Hill provided agency leadership with an overview of the current state of RMA Compliance, along with highlights of areas that can be improved. Next, Eagle Hill will propose an action plan to make RMA National Program Operation Reviews more effective and efficient.

Legal

On July 15, 2015, the State of Missouri filed a complaint against the Secretary of Agriculture asking that the court order the Secretary “to extend the grace period for all Missouri farmers to submit their acreage reports to RMA by 15 days,” and asking the court to grant an injunction “prohibiting the Secretary from denying crop insurance to Missouri farmers unable to submit their acreage reports before the July 15 deadline.” On November 2, 2015, the State of Missouri filed a notice of dismissal, and on November 3, 2015, the court dismissed the case as moot.