

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 September 20-21, 2017, in room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting
September 20-21,
2017

The meeting was called to order at 11:15 am on September 20, 2017.

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 section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened on September 21, 2017, at 2:00 pm.

Reconvene Open
Session

Kim Arrigo 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 Rob Johansson, Chief Economist, USDA; James Bardenhagen, Iris Saenz, John Finston, Margaret Goode, Ellen Linderman, Kenneth Sneed, and Heather Manzano, Acting Manager, FCIC, constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Also present were Robert Ibarra, Richard Flournoy, Tom Worth, Ron Lundine, Robert Ebel, Chandra Mason, Leiann Nelson, Margo Erny, Tim Hoffman, Tim Witt, Tara Ponds, Terry Katzer, Maureen Flood, Marissa Williams, Trevor Lolley, Kristen Gallagher, Lane Webb, Ryan Seeley, Jody Bailey and Velerie Eddleman from RMA; Kim Arrigo and Maureen James from the Office of the General Counsel; Clif Parks and Nicole Gueck, AgriLogic LLC; Alex Offerdahl, Watts and Associates; Ken Harrison, Sheer Simplicity; and Rob Cerda, CIS.

There was no one present by phone.

Chairman Johansson asked Heather Manzano for the Manager's Report. Mrs. Manzano stated that the [Manager's Report](#) is available on line.

Manager's Report

Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4427)

Dispense with Reading Report

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes (Exhibit 4428) of the meeting of the Board held on August 9, 2017.

Dispense with Reading Minutes

The motion carried. (Exhibit 4427 and 4428)

Approved

The Chairman brought to the floor the following dockets:

Docket No. CI-Section 508(h) Submission Margin Protection - Maintenance Reimbursement Request 09-21-17 01;

Margin Protection

Docket No. CI-Section 508(h) Submission Malt Barley Revenue - Maintenance Reimbursement Request 09-21-17 01;

Malt Barley Revenue

Docket No. CI-Section 508(h) Submission ARPI Popcorn - Maintenance Reimbursement Request 09-21-17 01;

ARPI Popcorn

Docket No. CI-Section 508(h) Submission Pecan Tree - Research and Development Reimbursement Request 09-21-17 01;

Pecan Tree

Docket No. CI-Section 508(h) Submission Triticale - Research and Development Reimbursement Request 09-21-17 01;

Triticale

Docket No. CI-Section 508(h) Submission Downed Rice Endorsement - Maintenance Reimbursement Request 09-21-17 01;

Downed Rice

Docket No. CI-Section 508(h) Submission Peanut Revenue - Maintenance Reimbursement Request 09-21-17 01;

Peanut Revenue

Docket No. CI-Section 508(h) Submission Hybrid Rice Seed - Maintenance Reimbursement Request 09-21-17 01;

Hybrid Rice See

Docket No. CI-Section 508(h) Submission High Amylose Corn - Maintenance Reimbursement Request 09-21-17 01;

High Amylose Corn

Docket No. CI-Section 508(h) Submission Sugarcane - Maintenance Reimbursement Request 09-21-17 01;

Sugarcane

Docket No. CI-Section 508(h) Submission Clary Sage - Maintenance Reimbursement Request 09-21-17 01; and

Clary Sage

Docket No. CI-Section 508(h) Submission Machine-Harvested Cucumbers - Maintenance Reimbursement Request 09-21-17 01.

Machine-Harvested Cucumbers

The Chairman offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in the dockets listed herein, as well as other material that were submitted to the Board on this matter, contingent upon the submitter providing supporting documentation that meets the legal requirement of 7 C.F.R. 400.712(f) as determined by the Manager and the Office of the General Counsel, the Board hereby approves actual costs for the reimbursement of research and development or maintenance costs using established guidelines in the APPROVED PROCEDURES FOR REIMBURSEMENTS & DETERMINATION OF REASONABLENESS RELATED TO REIMBURSEMENT EXPENSES FOR CONCEPT PROPOSALS, 508(h) SUBMISSIONS & USER FEE REQUESTS as authorized under section 522(b) of the Federal Crop Insurance Act not to exceed the following amounts:

\$815,095 for second-year maintenance expenses for Docket No. CI-Section 508(h) Submission Margin Protection - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4432;

\$232,625 for second-year maintenance expenses for Docket No. CI-Section 508(h) Submission Malt Barley Revenue - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4433;

\$23,358 for second-year maintenance expenses for Docket No. CI-Section 508(h) Submission ARPI Popcorn - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4434;

\$1,152, 322 for research and development expenses for Docket No. CI-Section 508(h) Submission Pecan Tree - Research and Development Reimbursement Request 09-21-17 01, Exhibit 4435;

\$484,648 for research and development expenses for Docket No. CI-Section 508(h) Submission Triticale - Research and Development Reimbursement Request 09-21-17 01, Exhibit 4436;

\$55,509 for fourth-year maintenance expenses for Docket No. CI-Section 508(h) Submission Downed Rice Endorsement - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4437;

\$156,211 for third-year maintenance expenses for Docket No. CI-Section 508(h) Submission Peanut Revenue - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4438;

\$3,735 for first-year maintenance expenses for Docket No. CI-Section 508(h) Submission Hybrid Rice Seed - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4439;

\$40,036 for first-year maintenance expenses for Docket No. CI-Section 508(h) Submission High Amylose Corn - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4440;

\$247,427 for first-year maintenance expenses for Docket No. CI-Section 508(h) Submission Sugarcane - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4441;

\$20,304 for second-year maintenance expenses for Docket No. CI-Section 508(h) Submission Clary Sage - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4442; and

\$98,445 for fourth-year maintenance expenses for Docket No. CI-Section 508(h) Submission Machine-Harvested Cucumbers - Maintenance Reimbursement Request 09-21-17 01, Exhibit 4443.

There being no discussion, the Board voted to approve exhibits 4432-4443. One Board Member did not vote on Exhibits 4435-4438.

Approved

Robin Anderson, Secretary to the Board then read the following statement (Exhibit 4445):

Sense of the Board

Previously, the Board provided notice of a moratorium on considering any new submissions for the Actual Revenue History (ARH) plan of insurance until it could conduct a program review and address concerns of low participation and program performance. RMA has provided the Board with an ARH program review and determined that participation and performance are adequate for several ARH crops and that low participation for other ARH crops does not suggest any problem with the design of this plan of insurance. Program performance has generally improved, and specific crops and areas that have sustained higher losses are undergoing premium rate adjustments. Therefore, the Board

