

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 August 13-14, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
August 13-14,
2014

The meeting was called to order at 1:00 pm, August 13, 2014, in Room 6610, South Agriculture Building, U.S. Department of Agriculture, Washington, DC.

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 at 11:30 am on August 14.

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; James Bardenhagen, Iris Saenz, John Finston, Margaret Goode, Ellen Linderman, and Kenneth Sneed and Brandon Willis, Manager, FCIC, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Tim Witt, Thomas Worth, Ron Lundine, and Tammy Jackson, RMA; David Grahn and Kim Arrigo, Office of the General Counsel; Rob Johansson, Deputy Chief Economist; James Callan, JC Associates; Ken Ackerman, Olson, Frank and Weeda Assoc.; Robert Cerda, Crop Insurance Systems; Ken Harrison; Mark Macrander, Ingredion; and Clif Parks and Brandon McDonald, AgriLogic. Present by phone were Tim Hoffmann, Leiann Nelson, Bill Bing, and Sydnee Chattin, RMA; and Alex Offerdahl, Watts and Assoc.

Chairman Glauber asked Brandon Willis for the Manager's Report. Mr. Willis stated that the Manager's Report is available on line at www.rma.usda.gov) and reported that RMA released the Supplemental Coverage Option insurance policy and materials on July 29 and the Stacked Income Protection insurance policy and materials on August 12.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4212)

Dispense with Reading Report

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 June 24, 2014.

Dispense with Reading Minutes

The motion carried. (Exhibits 4213)

Approved

Chairman Glauber offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 133 08-14-14 02, which was seconded:

Concept Proposal 133

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 as 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 133 08-14-14 02, Exhibit 4214, the Board approves the advance payment of \$180,715 for Concept Proposal 133, for a limited pilot area as discussed in Executive Session and as authorized under section 522(b) of the Federal Crop Insurance Act.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitters. The submitters 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 April, 2015 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4214)

Approved

The Chair stated that the next action item Docket No. CI – Section 522(b) Concept Proposal 134 08-14-14 01, Exhibit 4215, was tabled as agreed to by the submitter.

Concept Proposal
134
Tabled

Chairman Glauber offered the following resolution for Docket No. CI – Section 508(h) Confidential Submission 0046 08-14-14 02, which was seconded:

Confidential
Submission 0046

RESOLVED, that pursuant to the information contained in Docket No. CI – Section 508(h) Confidential Submission 0046 08-14-14 02, Exhibit 4217, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board approves Confidential Submission 0046, under section 508(h) of the Federal Crop Insurance Act (Act) with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under sections 508(h) of the Federal Crop Insurance Act. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4217)

Approved

Confidential Submission 0046 refers to a High Amylose Specialty Corn endorsement submitted by Ken Harrison on behalf of Ingredion.

The next item before the Board was Docket No. CI–Section 508(h) Confidential Submission 0047 08-14-14 02, Exhibit 4218 was tabled as requested by the submitter.

Confidential
Submission 0047
Tabled

The Chairman offered the following resolution which was seconded for Docket No. CI- Section 508(h) Confidential Submission 0048 08-14-14 01:

Confidential
Submission 0048

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be

offered under the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI- Section 508(h) Confidential Submission 0048 08-14-14 01, Exhibit 4219, the Board approves expert review for Confidential Submission 0048 and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter in to and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the Confidential Submission 0048 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4219)

Approved

The Chair stated that the next action item Docket No. CI- Section 508(h) Confidential Submission 0049 08-14-14 01, Exhibit 4220, was tabled as agreed to by the submitter.

Confidential
Submission 0049
Tabled

Chairman Glauber offered the following resolution for Docket No. CI – Section 508(h) Confidential Submission 0050 08-14-14 01, which was seconded:

Confidential
Submission 0050

RESOLVED, that pursuant to the information contained in Docket No. CI – Section 508(h) Confidential Submission 0050 08-14-14 01, Exhibit 4221, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board approves Confidential Submission 0050, under section 508(h) of the Federal Crop Insurance Act (Act) with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under sections 508(h) of the Federal Crop Insurance Act. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4221)

Approved

Confidential Submission 0050 refers to an Area Risk Protection Insurance for Popcorn submitted by Watts and Associates, Inc. on behalf of The Popcorn Institute.

Docket No. CI-ARH Tart Cherry Pilot Program 08-14-14 01 was the next action item before the Board. The Chair offered the following resolution which was seconded:

ARH Tart Cherry
Pilot Program

RESOLVED, that pursuant to the information contained in Docket No. CI-ARH Tart Cherry Pilot Program 08-14-14 01, Exhibit 4222, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves the expansion of the ARH Tart Cherry Pilot Program into Juab County, Utah until such time as the program has been made permanent through the rule-making process, with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager under the authority contained in section 522(c) and 523(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)(4)). AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4222)

Approved

The Chair stated that the next action item Docket No. CI-Cultivated Clam Pilot Insurance Program 08-14-14 01, Exhibit 4223, was tabled as agreed to by RMA.

Cultivated Clam
Pilot Program
Tabled

Chairman Glauber offered the following resolution for Docket No. CI – Removal of County Crop Programs 08-14-14 01, which was seconded:

County Crop
Programs

RESOLVED, That Docket No. CI – Removal of County Crop Programs 08-14-14 01, Exhibit 4224, authorizing the Federal Crop Insurance Corporation to delete six county crop insurance programs for the counties and crops listed in the attachment, effective for the 2015 crop year as applicable, since FCIC has determined that these programs have had no participation reported between crop years 2008 and 2012 or had excessive risks.

There being no discussion the Board voted to approve the resolution. (Exhibit 4224)

Approved

The Chairman then offered the following resolution which was seconded:

Expert Reviewer
Expansion

