

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 7-8, 2013, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
August 7-8, 2013

The meeting was called to order at 1:00 pm, August 7 in Room 6610, South Agriculture Building, U.S. Department of Agriculture, Washington, DC, in open session.

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 10:00 am on August 8 in Room 108A, Jamie Whitten Building, Washington, DC.

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 Deputy Under Secretary Karis Gutter of Farm and Foreign Agricultural Services; Acting Associate Administrator, Michael Alston, Tim Witt, Thomas Worth, Ron Lundine, Leiann Nelson, Sydney Steed, Richard Flournoy and Tammy Jackson of RMA; David Grahn and Steven Gusky, Office of the General Counsel; Rob Johansson, Deputy Chief Economist; Rob Cerda, Crop Insurance Systems Inc., David Bossman, AgWin LLC.; Christy Seyfert, Crop Insurance and Reinsurance Bureau; James Callan and present by phone were: Sydnee Chattin, Tim Davis, Bill

Bing, Ben Thiel, Mark Alderson and Tim Hoffmann of RMA; Alex Offerdahl, Watt's and Assoc.; and Rob Cerda, Crop Insurance Systems.

Chairman Glauber asked Brandon Willis for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Willis noted that the Area Risk Protection Insurance Plan (ARPI) final rule was published on June 26. ARPI combines the area based insurance plans Group Risk Plan, Group Risk Income Plan and Group Risk Income Plan Harvest Revenue option, into one policy that offers both yield and revenue coverage on an area basis. The new ARPI policy is available for the 2014 crop year. Mr. Willis also stated that in response to a GAO audit to assess whether RMA had appropriate controls in place to prevent improper subsidies on behalf of deceased producers, RMA has moved aggressively to implement formal, systematic procedures to identify and prevent improper subsidies on behalf of deceased individuals. In May 2013, RMA implemented a new computer matching procedure to check Federal crop insurance program eligibility, subsidies and payments to policyholders against the partial version of the Social Security Administration's (SSA) Death Master File that is available to the public. RMA recently received approval from SSA to obtain the complete Death Master File which provides all federal and state reported deaths since 1936, and is prepared to integrate the complete file into the RMA computer matching system

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4137)

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 February 7, 2013 and on May 9, 2013.

Dispense with Reading – Minutes

The motion carried. (Exhibits 4128 and 4139)

Approved

Chairman Glauber offered the following resolution for Docket No. CI – Section 522(b) Concept Proposal 129 08-08-13 02, which was seconded:

Concept Proposal 129

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Section 522(b) Concept Proposal 129 08-08-13 02, Exhibit 4140, the Board approves expert review of Concept Proposal 129 and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter into 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 Concept Proposal 129 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 4140)

Approved

Docket No. CI–Section 522(b) Concept Proposal 131 08-08-13 01 was the next action item before the Board. The Chair offered the following resolution which was seconded:

Concept Proposal 131

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI–Section 522(b) Concept Proposal 131 08-08-13 01, Exhibit 4141, the Board approves expert review for the Concept Proposal 131 and directs that:1) the Manager of the Corporation be authorized to take such action as necessary to enter into 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 Concept Proposal 131 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 (5-yes and 1-no votes). (Exhibit 4141)

Approved

Chairman Glauber offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0041 08-08-13 02, which was seconded:

Confidential Submission 0041

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0041 08-08-13 02, Exhibit 4142, as well as other material that were

submitted to the Board on this matter, the Board hereby approves Confidential Submission 0041 beginning with the first crop year that the Manager determines is practicable with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 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. This Board approval is contingent upon the following terms: RMA and the submitter working out the issues raised by the Board to the satisfaction of the Manager in such a manner as to protect program integrity and actuarial soundness, and report the resolution at the November Board meeting.

There being no discussion the Board voted to approve the resolution (5-yes and 1-no votes). (Exhibit 4142)

Approved

Confidential Submission 0041 refers to a Machine Harvested Cucumber (MHC) plan of insurance submitted by Crop Insurance Systems, Inc., on behalf of the Mount Olive Pickle Company, North Carolina Department of Agriculture & Consumer Services, North Carolina Farm Bureau, Kenny Brothers Produce, The Michigan Vegetable Council, Inc., Fruit and Vegetable Growers Association of Delaware, Hartung Brothers, Inc., and Swanson Pickles.

The next item before the Board was Docket No. CI- Section 508(h) Specialty Trait Soybeans Modification 08-08-13 01. The following resolution was offered and seconded.

Specialty Trait Soybeans

RESOLVED, that pursuant to the information contained in Docket No. CI- Section 508(h) Specialty Trait Soybeans Modification 08-08-13 01, Exhibit 4143, as well as other material that were submitted to the Board on this matter, the Board has determined the requested expansion is non-significant and the submission does not require expert review, hereby approves Specialty Trait Soybeans beginning with the 2014 crop year with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 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 4143)

Approved

Chairman Glauber offered the following resolution for Docket No. CI- Section 508(h) Specialty Corn Modification 08-08-13 01, which was seconded:

Specialty Corn

RESOLVED, that pursuant to the information contained in Docket No. CI- Section 508(h) Specialty Corn Modification 08-08-13 01, Exhibit 4144, as well as other material that were submitted to the Board on this matter, the Board has determined the requested expansion is non-significant and the submission does not require expert review, hereby approves the Specialty Corn expansion beginning with the 2014 crop year with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 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 4144)

Approved

Chairman Glauber offered the following resolution for Docket No. CI – Section 508(h) Pulse Crop Revenue Endorsement Modification 08-08-13 01, which was seconded:

Pulse Crop
Revenue
Endorsement

RESOLVED, that pursuant to the information contained in Docket No. CI – Section 508(h) Pulse Crop Revenue Endorsement Modification 08-08-13 01, Exhibit 4145, as well as other material that were submitted to the Board on this matter, the Board has determined the requested expansion is non-significant and the submission does not require expert review, hereby approves Pulse Crop Revenue Endorsement beginning with the 2014 crop year with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 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 4145)

Approved

Chairman Glauber stated that another modification included in Docket No. CI – Section 508(h) Pulse Crop Revenue Endorsement Modification 08-08-13 01 was tabled to the September Board meeting as agreed to by the submitter.

The next item before the Board was Docket No. CI- Actual Revenue History Tart Cherry Pilot Program 08-08-13 02. The following resolution was offered and seconded.

ARH Tart Cherry

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to approve the implementation 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- Actual Revenue History Tart Cherry Pilot Program 08-08-13 02, Exhibit 4146, the Board approves the ARH Tart Cherry Pilot Program, contingent upon available funds for Pay-go offset, beginning in the 2014 crop year and directs that the Manager of the Corporation be authorized 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 4146)

Approved

Docket No. CI- California Actual Production History (APH) Avocado Pilot Crop Insurance Program 08-08-13 01 was then brought to the floor by Chair Glauber. He offered the following resolution which was seconded.

CA APH Avocado Pilot

RESOLVED, that pursuant to the information contained in Docket No. CI- California Actual Production History (APH) Avocado Pilot Crop Insurance Program 08-08-13 01, Exhibit 4147, 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 continuation and expansion of the California APH Avocado Pilot Crop Insurance Program 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 4147)

Approved

Chairman Glauber then offered the following resolution for Docket No. CI – Hybrid Sweet Corn Seed Pilot Crop Insurance Program 08-08-13 01 which was seconded.

Hybrid Sweet
Corn Seed Pilot

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 – Hybrid Sweet Corn Seed Pilot Crop Insurance Program 08-08-13 01, Exhibit 4148, the Board approves expert review for Hybrid Sweet Corn Seed Pilot Program 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 Hybrid Sweet Corn Seed Pilot Program 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 4148)

Approved

The next item before the Board was Docket No. CI-Area Risk Protection Insurance (ARPI) Rice Pilot Program 08-08-13 01. The following resolution was offered and seconded.

ARPI Rice Pilot

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-Area Risk Protection Insurance (ARPI) Rice Pilot Program 08-08-13 01, Exhibit 4149, the Board approves expert review for the ARPI Rice Pilot and directs that:1) the Manager of the Corporation be authorized to take such action as necessary to enter into 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 ARPI Rice Pilot 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 4149)

Approved

Chairman Glauber then offered the following resolution which was seconded.

The Board hereby approves the revisions to the "Procedures for the Submission and Review of New and Revised Crop Insurance Policies", Exhibit 4150.

There being no discussion the Board voted to approve the resolution. (Exhibit 4150)

There being no further business to come before the Board voted to adjourn and to meet again September 17-19, 2013, in Kansas City, MO.

Adjourn

It was later determined that the September meeting would be held September 17-18, 2013.

August 8, 2013

/signed/
Cindy Spoor, Secretary
Federal Crop Insurance Corporation