

**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 July 19, 2001, in room 221-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend.

Meeting
July 19, 2001

The meeting was called to order at 9:36 a.m., in Open Session.

Call to Order
Open Session

Present were J.B. Penn, Under Secretary, Farm and Foreign Agricultural Services; Keith Collins, Chief Economist, USDA; Michael Keating, and Bobby Webster, constituting a statutory quorum; Phyllis W. Honor, Acting Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Thomas Hunt Shipman, Butch May, and Matt O'Mara, Farm and Foreign Agricultural Services; Kim Arrigo, Office of the General Counsel (OGC); Joe Glauber, Office of the Chief Economist; Tim Witt, Tim Hoffmann, Marian Jenkins, Dave Miller, Don Stonecypher, Vondie O'Conner, Mary Rekas, Sharon Hestvik, Larry Piatz, Bill Buchanan, Eric Edgington, and Dan Orr of the Risk Management Agency (RMA); Ken Ackerman of Olsson, Frank and Weeda, P.C.; Barry Cleaveland of American Agrisurance, Inc.; Roger Swartz of American Farm Bureau Insurance Services, Inc.; Sarah Tyree of AgriLogic, Inc.; Stephen Frerichs of American Association of Crop Insurers; Diane Joy Goodman of the organic sector; and Jane Shey of the Crop Insurance Research Bureau.

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes of the meetings of the Board held on June 14, 2001, June 22, 2001, and July 11, 2001.

Dispense with Reading
and Minutes Accepted

The motion carried. (Exhibit Nos. 2049, 2050, and 2051.)

A motion was made and seconded at 9:40 a.m., to go into Executive Session. The motion carried. A statutory quorum was present.

Executive Session

Present were J.B. Penn, Under Secretary, Farm and Foreign Agricultural Services; Keith Collins, Chief Economist, USDA; Michael Keating, and Bobby Webster, constituting a statutory quorum; Phyllis W. Honor, Acting Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Thomas Hunt Shipman, Butch May, and Matt O'Mara, Farm and Foreign Agricultural Services; Kim Arrigo, OGC; Joe Glauber, Office of the Chief Economist; Tim Witt, Tim Hoffmann, Marian Jenkins, Dave Miller, Don Stonecypher, Vondie O'Conner, Mary Rekas, Sharon Hestvik, Larry Piatz, Bill Buchanan, Eric Edgington, and Dan Orr of RMA; and Barry Cleaveland of American Agrisurance, Inc.

The meeting returned to Open Session at 9:55 a.m. A statutory quorum was present.

Open Session

Bart James, RMA, arrived at the meeting at 9:55 a.m.

Bart James

Linda Vickers of Wells Fargo and Rural Community Insurance Services arrived at the meeting at 10:00 a.m.

Linda Vickers

A motion was made and seconded to adopt the following resolution:

RESOLVED, That Docket No. CI-CRC-Wheat-01-1, Exhibit No. 2052, authorizing revisions for Crop Revenue Coverage Wheat to be sold with the beginning of the 2002 crop year in those areas where the contract change date has not passed and the 2003 crop year where it has, as authorized under section 508(h) of the Federal Crop Insurance Act for the Crop Revenue Coverage Wheat program, is hereby approved 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 policies legally sufficient and to resolve those problems with policy terms identified by the reviewers.

Crop Revenue
Coverage - 2002/2003
Crop Year Wheat
Coverage Changes

A motion was made and seconded to amend Board Memorandum No. 617 to authorize the revisions to the Crop Revenue Coverage (CRC) wheat policy as proposed by American Agrisurance in Executive Session (copy of the proposal is attached and made a part of Docket No. CI-CRC-Wheat-01-1, Exhibit No. 2052) and allow CRC irrigated wheat to be sold beginning with the 2002 crop year only in Nevada and all other changes to be effective with the 2003 crop year.

The amendment carried.

The motion to adopt the resolution contained in Board Memorandum No. 617, as amended, carried. (Board Memorandum No. 617; Exhibit No. 2052.)

A motion was made and seconded to adopt the following resolution:

RESOLVED, That, in lieu of further extension of time, the Federal Crop Insurance Corporation's Board of Directors (Board) suspends action on the Timber Crop Coverage (TCC) Insurance Program until such time as the submitting company resubmits its proposal ready for Board approval and potential implementation that addresses the problems with the program raised by expert reviewers, RMA staff and legal counsel. RMA will have 15 days to evaluate the resubmission for completeness prior to consideration by the Board. If not complete, the resubmission will be returned to the submitting company. Once the resubmission is determined to be complete, the Board will make a determination within 15 days whether expert reviews are then necessary. If expert reviews are necessary, the Board will proceed as soon as possible to contract for such reviews, and upon receipt of those reviews, the Board will have 45 days to take action on the resubmission. If expert reviews are not required, the Board will have 45 days after the determination that they are not necessary to take action on the resubmission.

The motion carried. (Board Memorandum No. 618; Exhibit No. 2053.)

Richard Siegel of Olsson, Frank and Weeda, P.C., arrived at the meeting at 10:25 a.m.

Robert Gray of the Organic Trade Association arrived at the meeting at 10:30 a.m.

A motion was made and seconded to adopt the following resolution:

Suspension of Action -
Resubmission of the
Timber Crop Coverage
508(h) Insurance
Program

Richard Siegel

Robert Gray

RESOLVED, That Docket No. CI-ORGANIC-FP-01-1, Exhibit No. 2054, authorizes the Risk Management Agency (RMA) to continue to insure by written agreement organic farming practices for all insurable crops in all areas and the Board shall monitor the situation through regular updates by RMA.

Organic Farming
Practice by Written
Agreement

The motion carried. (Board Memorandum No. 619; Exhibit No. 2054.)

There being no further business to come before the Board, the meeting adjourned at 10:40 a.m., to meet again on August 2, 2001, in Washington, D.C.

Adjourn

/s/ Diana Moslak

July 19, 2001

Diana Moslak, Secretary
Federal Crop Insurance Corporation