

**MINUTES  
OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF THE  
FEDERAL CROP INSURANCE CORPORATION**

Minute Exhibit No. 2028  
Board Meeting of 3/29/01

A meeting of the Board of Directors (Board) of the Federal Crop Insurance Corporation (FCIC) was held on January 12, 2001, in room 104-A, Williamsburg Room, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend.

Meeting  
January 12, 2001

The meeting was called to order at 10:10 a.m.

Call to Order

Present were August Schumacher, Jr., Under Secretary for Farm and Foreign Agricultural Services; Keith Collins, Chief Economist, USDA; Michael Keating and Bobby Webster, constituting a statutory quorum; Kenneth D. Ackerman, Manager, FCIC; John Zirschky, Deputy Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Tom Grau and Butch May, Farm and Foreign Agricultural Services; Kim Arrigo, Office of the General Counsel; Joe Glauber of the Office of the Chief Economist; Joe Connor of the Office of Management and Budget; Tim Witt, Jim Driscoll, Nelson Maurice, Tim Hoffmann, Leiann Nelson, Bob Vollmert, Marian Jenkins, Doug Hagel, Mary Slay, Vondie O'Conner, Pat Engel, Heyward Baker and Dan Pathak of the Risk Management Agency (RMA); Stephen Frerichs of American Association of Crop Insurers; Linda Vickers, Consultant for Rural Community Insurance Services; David Bossman, Peter Griffin, Phil Olson and Robby Ritchey of American Agri-Business Insurance Company (AABIC); Paul Peterson of the Chicago Mercantile Exchange; and Robert Parkerson and Dallas Smith of National Crop Insurance Services.

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 November 17, 2000.

Dispense with Reading  
and Minutes Accepted

The motion carried. (Exhibit No. 2025.)

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

RESOLVED, That the resolution to contract out for the review of the proposed Potato Cost of Production Plan be, and it is hereby, rescinded, by order of the Board of Directors on January 12, 2001.

The motion carried. (Board Memorandum No. 599. Exhibit No. 2026.)

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

RESOLVED, That Docket No. CI-APH-01-1, Exhibit No. 2027, authorizing the Federal Crop Insurance Corporation to continue to offer through the 2003 crop year the Basic Unit Actual Production History Pilot program to allow insured producers to request that their optional unit production history be combined into a basic unit to calculate a personal transitional yield which will be used to establish the actual production history yield upon which their insurance guarantees will be based for separate optional units be, and it is hereby approved pending clearance for legal sufficiency by the Office of the General Counsel AND BE IT FURTHER RESOLVED, That the pilot program will continue to apply to all crops except sugar beets and dry peas (which are authorized Master Yields) and will be available in Daniels, Fergus, Hill, Pondera, and Yellowstone counties, Montana for the 2001 crop year for crops with 11/30/00 and 12/31/00 contract change dates, for the 2002 crop year for crops with 11/30/01 and 12/31/01 contract change dates and for the 2003 crop year for crops with 11/30/02 and 12/31/02 contract change dates and for the 2002 and 2003 crop years for all crops with 6/30/01 and 6/30/02 contract change dates, respectively.

The motion carried. (Board Memorandum No. 600. Exhibit No. 2027.)

A motion was made and seconded to go into Executive Session. The motion carried. The Executive Session convened at 10:40 a.m. A statutory quorum was present.

Present were August Schumacher, Jr., Under Secretary for Farm and Foreign Agricultural Services; Keith Collins, Chief Economist, USDA; Michael Keating and Bobby Webster, constituting a statutory

Recission of Board  
Memorandum No. 590

Basic Unit Actual  
Production History  
Pilot Program  
Continuation

Executive Session

quorum; John Zirschky, Deputy Manager, FCIC; and Diana Moslak, Secretary. Also present were Kim Arrigo, Office of the General Counsel;

Joe Glauber of the Office of the Chief Economist; and Joe Connor of the Office of Management and Budget.

At 10:48 a.m., RMA staff and AABIC were invited into Executive Session.

Present were Butch May, Farm and Foreign Agricultural Services; Tim Witt, Jim Driscoll, Nelson Maurice, Tim Hoffmann, Marian Jenkins, Heyward Baker, Dan Pathak, Doug Hagel, Bob Vollmert, and Leiann Nelson of the RMA; David Bossman, Peter Griffin, Phil Olson, Dan Carlisle and Robby Ritchey of AABIC; and Paul Peterson of the Chicago Mercantile Exchange.

The Executive Session concluded at 11:43 a.m., to reconvene in Open Session at 11:55 a.m. A statutory quorum was present.

David Bossman of AABIC proposed the following to the Board:

That the Board suspend action on the Livestock Risk Protection (LRP) program submission until such time as the submitting Company submits its formal response to RMA staff and Board comments as a total package ready for Board approval and potential implementation, at which time RMA will make a determination within 5 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 the receipt of those reviews, the Board will have 45 days to take action on the submission. 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 submission.

A motion was made and seconded to accept AABIC's proposal and to suspend Board action on the LRP program submission as proposed by AABIC.

The motion carried. (This action tables Board Memorandum No. 592; Exhibit No. 2018, for consideration at a future Board meeting.)

There being no further business to come before the Board, the meeting adjourned at 12:05 p.m., sine die.

Reconvene

Request for Suspension of Action by AABIC - LRP Program

Acceptance to Suspend Action for the LRP Program

Adjourn

January 12, 2001

*/s/ Diana Moslak*

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Diana Moslak, Secretary  
Federal Crop Insurance Corporation