



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

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TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Ross J. Davidson, Jr. /s/ R. J. Davidson, Jr.
Manager

SUBJECT: Board Memorandum No. 656
Docket No. CI-FCIC-Deletions-Various-02-1
Deletion of Selected County Crop Programs

May 3, 2002

There is submitted for your consideration and approval the subject docket authorizing the Federal Crop Insurance Corporation (FCIC) to delete, effective for the 2003 crop year, county crop programs where no producer participation has been reported for barley, grain sorghum, processing tomatoes and wheat from the 1997 to 2001 crop years.

Thirty-one (31) county crop programs are proposed for deletion:

<u>Crop</u>	<u>State</u>	<u>County</u>
Barley	Nevada	Clark Lincoln Nye
Grain Sorghum	Michigan	Cass St. Joseph Van Buren
GRP Wheat	Montana	Custer
Processing Tomatoes	Illinois	Kankakee
Wheat	Iowa	Black Hawk Cass Cedar Greene Jasper Jones Linn Mitchell

<u>Crop</u>	<u>State</u>	<u>County</u>
Wheat	Iowa	Plymouth Polk Poweshiek Story
Wheat	Michigan	Alger Crawford Gogebic Iron Marquette Oscoda Roscommon
Wheat	Nevada	Clark Esmeralda Lincoln Nye

The Risk Management Agency (RMA) is committed to providing more and better crop insurance products, more quickly, with wider availability. However, with limited resources to adequately maintain all current programs and continue to add new programs, RMA must allocate those resources to maximize the benefits to the crop insurance program. The county crop programs recommended for deletion are programs with no participation. Continued support of these programs is not a viable use of limited resources.

Approval of this docket will authorize the discontinuation of the listed crop programs effective with the 2003 crop year.

For FCIC to discontinue offering insurance for the programs listed above it is necessary for the Board of Directors to approve Docket No. CI-FCIC-Deletions-Variou-02-1.

RESOLVED, That Docket No. CI-FCIC-Deletions-Variou-02-1, Exhibit No. 2103, authorizing the Federal Crop Insurance Corporation to delete, effective for the 2003 crop year, the county crop programs listed in Board Memorandum No. 656 is hereby approved.

OR

RESOLVED, That Docket No. CI-FCIC-Deletions-Variou-02-1, Exhibit No. 2103, is hereby disapproved.

"For Official Use Only" and "Secure Storage Required" Provisions Expired on: May 8, 2002

FCIC Docket No. CI-FCIC-Deletions-Variou-02-1

Deletion of County Crop
Programs - Various

Voted on by the Board of Directors on: May 7, 2002

Deletion of Selected County Crop Programs

Docket No. CI-FCIC-Deletions-Variou-02-1

SUMMARY

If approved by the Board, this docket will authorize the Federal Crop Insurance Corporation to delete, effective for the 2003 crop year, thirty-one county crop programs where no producer participation has been reported from 1997 to 2001.

FOR FURTHER INFORMATION CONTACT:
Diana Moslak, (202) 720-2832

Authorization for Deletion of Selected County Crop Programs for the 2003 Crop Year
Docket No. CI-FCIC-Deletions-Variou-02-1

A - INTRODUCTION

I. Purpose

If approved by the Board, this docket will provide the authority for the Federal Crop Insurance Corporation (FCIC) to delete selected county crop programs effective for the 2003 crop year.

II. Justification

The authority contained in this docket is needed for FCIC to delete selected county crop programs. The Agricultural Risk Protection Act of 2000 (ARPA) instructs FCIC to provide more crop insurance products. However, these selected county crop programs have had no participation for the past five crop years and the specific crops are of little or no economic value to the counties outlined in this docket.

III. Background Data on Recommendations for the Deletion of the Selected County Crop Programs

FCIC has expanded the availability of insurance programs dramatically at the direction of and with the support of the Board of Directors. The amount of liability protected by FCIC has tripled since 1993 as a result of many of these new programs.

However, not all of the new programs have succeeded and as new programs have become available, sales of some policies have declined. In the May 2000 Deputy Manager's Report, an analysis of the sales of various policies was presented to the Board. Further analysis by the Research and Development Division revealed that 875 county crop programs had no sales in 1999.

The barley, grain sorghum, processing tomatoes and wheat programs in the states and counties outlined in this docket are being recommended for deletion by the regional offices. For the last five years, there has been no policies earning premium in these counties making it difficult to set premium rates and transitional yields due to insufficient data. Eliminating these programs in the counties would save time and resources.

The Group Risk Plan (GRP) wheat in Custer County, Montana, is recommended for deletion by the Actuarial Division. The National Agricultural Statistic Services has stopped reporting winter wheat yields for this county as acres have fallen making it impossible to set premiums and yields due to insufficient data. For the last five years, there has been no GRP wheat policies sold in this county.

B - AUTHORIZATION

I. General

Authority to delete county crop programs is contained in the Federal Crop Insurance Act.

II. Program Description

The crop programs recommended for deletion are where the crop has generated no sales in the crop insurance program for the last five years.

III. Operating Provisions

Detailed operating provisions for the deletion of these county crop programs will be issued by Risk Management Agency (RMA) authorized personnel.

IV. Administration

If approved by the Board, the deletion of these county crop programs will be carried out by the RMA effective for the 2003 crop year.

V. Effective Date

This docket will become effective upon signature by the Chairman of the Board.

VI. Classification

This program docket is for official use only.

VII. Availability of Funds

The availability of funds is discussed in the attached memorandum from the Chief Financial Officer of RMA.

VIII. For Official Use Only Designation

The "For Official Use Only" designation of this docket will terminate upon approval of this docket by the Board.

FINAL RESOLUTION

RESOLVED, That Docket No. CI-FCIC-Deletions-Various-02-1, Exhibit No. 2103, authorizing the Federal Crop Insurance Corporation to delete, effective for the 2003 crop year, the county crop programs listed in Board Memorandum No. 656 is hereby approved.

Adopted by the Board of Directors on: May 7, 2002

/s/ Diana Moslak
Diana Moslak, Secretary
Federal Crop Insurance Corporation

[SEAL]

Approved by:

/s/ Keith Collins
Keith Collins
Chairman of the Board

05/08/02
Date