

**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 September 2, 2004, in Room G28 B&C of the Beacon Office Building in Kansas City, Missouri. The public was invited to attend the Open Session portions of the meeting.

The meeting was called to order at 1:10 p.m., in Open Session.

Present were Keith Collins, Chief Economist, USDA and Chairperson; Susan Fitzsimmons, John Askew, Bill Classen, Tim Kelleher and Frank Jones, constituting a statutory quorum; JB Penn, Undersecretary (FFAS), Ross Davidson, Manager, FCIC; David Hatch, Deputy Manger, FCIC; Byron Anderson, Secretary, and Vondie O’Conner, Deputy Secretary.

Also present were Beth Bechdol, Farm and Foreign Agricultural Services (FFAS); David Grahn, Office of the General Counsel (OGC); Tim Witt, Tim Hoffmann, Bill Bing, Bob Vollmert, Virginia Guzman, Brent Doane, Cindy Spoor, George Harris, Bob Vollmert, Leiann Nelson, Charles Naglich and Nelson Maurice of the Risk Management Agency (RMA); Roger Swartz, American Farm Bureau Insurance Services, Inc.; Peter Griffin, Barbara Leach, and David Bossman, Applied Analytics; Eric Nordman, Karen Schutter, and Trish Schoettger, National Alliance of Insurance Commissioners (NAIC); Clarence Manning and Mike O’Connell.

David Grahn read a recitation to all members of the Board.

The Manager’s Report prepared by FCIC Manager Davidson was submitted for the record. No action was taken on this report (Board Memorandum No. 759; Exhibit No. 2748).

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 July 29, 2004.

The motion carried. (Exhibit No. 2747)

**Meeting
September 2, 2004**

**Call to Order
Open Session**

Present

Recitation

Manager’s Report

**Dispense with
Reading – Minutes
Accepted**

Approved

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

RESOLVED, that Docket No. CI-AGR-Lite Maintenance Cost Reimbursement-04-01 (Exhibit No. 2755), authorizing reimbursement of maintenance costs, as amended by the Risk Management Agency, in the amount of \$43,103.32 to the Pennsylvania Department of Agriculture for its Adjusted Gross Revenue-Lite plan of insurance, as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved.

**AGR-Lite
Reimbursement**

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, that Docket No.: CI-Coffee Crop and Coffee Tree R&D Cost Reimbursement-04-01 (Exhibit No. 2757), Commonwealth of Puerto Rico Department of Agriculture's request for reimbursement of maintenance costs, as amended by the Risk Management Agency to reflect \$183,882.34 as the total amount reimbursable for the Coffee Crop and Coffee Tree plan of insurance, as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved.

**Coffee
Reimbursement**

The Board voted to adopt the resolution.

Approved

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

RESOLVED, that Docket No. CI-GRIP R&D Cost Reimbursement-04-01 (Exhibit No. 2753), NAU Country Insurance Company's request for reimbursement of research and development costs, as amended by the Risk Management Agency to reflect \$135,029.63 as the total amount reimbursable for the Group Risk Income Protection – Harvest Revenue Option endorsement, as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved

**GRIP
Reimbursement**

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, that Docket No. CI-LGM Maintenance Cost Reimbursement-04-01 (Exhibit No. 2751), Iowa Agricultural Insurance Innovations, L.L.C.'s request for maintenance costs, as amended by the Risk Management Agency to reflect \$64,359.57 as the total amount reimbursable for the Livestock Gross Margin plan of insurance and as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved.

**LGM
Reimbursement**

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, that Docket No. CI-LRP Maintenance Cost Reimbursement-04-01 (Exhibit No. 2752), authorizing reimbursement of maintenance costs, as amended by the Risk Management Agency, in the amount of \$592,309.86 to Applied Analytics Group for its Livestock Risk Protection plan of insurance, as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved.

**LRP
Reimbursement**

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, that Docket No. CI-RA Maintenance Cost Reimbursement-04-01 (Exhibit No. 2754), American Farm Bureau Insurance Services, Inc. request for reimbursement of maintenance costs in the amount of \$400,223.80 for its Revenue Assurance plan of insurance, as authorized under section 522(b) of the Federal Crop Insurance Act, is hereby approved.

**Revenue
Assurance
Reimbursement**

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, That Docket No. CI-Cabbage Pilot Program Conversion-04-01, Exhibit No. 2756, authorizing the Federal Crop Insurance Corporation, contingent upon available administrative resources and consistent with the attached changes, to: 1) convert the Cabbage Pilot Crop Insurance Program to a permanent crop insurance program effective as soon as practicable, and 2) expand availability to all areas where the crop is produced and sufficient actuarial data exists is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final policy terms and procedural requirements.

Cabbage Pilot

A motion was made and seconded to amend the attached changes to the resolution.

The Board voted to adopt the amendment to the resolution.

The Board voted unanimously to adopt the resolution.

Approved

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

RESOLVED, That Docket No. CI-Wild Rice Pilot Program Conversion-

Wild Rice Pilot

04-01, Exhibit No. 2750, authorizing the Federal Crop Insurance Corporation, contingent on available administrative resources, to: 1) convert the Cultivated Wild Rice Insurance Pilot Program to a permanent crop insurance program with the attached changes, effective as soon as possible in all areas where the crop is produced, and 2) expand the availability to all areas where the crop is produced and sufficient actuarial data exists is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final policy terms and procedural requirements.

The Board voted to adopt the resolution.

Approved

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

RESOLVED, That Docket No. CI-Mint Pilot Program Conversion-04-01, Exhibit No. 2749, authorizing the Federal Crop Insurance Corporation, contingent upon available administrative resources, to: 1) convert the Pilot Mint Crop Insurance Program to a permanent crop insurance program with the attached changes, effective as soon as possible in all areas where the crop is produced, and 2) expand availability to all areas where the crop is produced and sufficient actuarial data exists is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final policy terms and procedural requirements.

Mint Pilot

The Board voted to adopt the resolution.

Approved

Chairman Keith Collins stated that there would be FCIC Board committee meetings at the next board meeting that would be held in the middle of October. It was also brought to the Board's attention that the Group Risk Income Protection (GRIP) Plan of Insurance for Grain Sorghum would be ready for Board action for the 2005 crop year and GRIP for Cotton would be ready for the 2006 crop year.

There being no further business to come before the Board, the meeting adjourned at 2:45 p.m. to meet again in late October 2004 in Washington, D.C.

September 2, 2004

/signed/
Byron Anderson, Secretary

Federal Crop Insurance Corporation