

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 14, 2008, in Room 104-A of the Jamie L. Whitten Federal Office Building, Jefferson Drive, Washington, D.C. The public was invited to attend the open session portion of the meeting.

Meeting  
August 14, 2008

The meeting was called to order at 8:00 a.m. in open session.

Call to Order  
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 Board then 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 (FCIA).

Executive Session

The open session of the Board reconvened at 2:00 p.m.

Reconvene Open  
Session

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA and Chairperson; Mark Keenum, Under Secretary Farm and Foreign Agricultural Services (FFAS), Mike Pickens, Curt Sindergard, Luis Monterde, and Frank Jones Jr., constituting a statutory quorum; and Eldon Gould, Manager, James Callan, Deputy Manager and Cindy Spoor, Secretary, FCIC.

Present

Also present were Floyd Gaibler, Deputy Under Secretary, and Butch May, FFAS; David Grahn and Kim Arrigo, Office of the General Counsel (OGC); Tim Hoffmann, Tim Witt, Tom Worth, Bill Murphy, Virgil Ireland, Velerie Eddleman (phone), Bridger Roy, Andrew Brandt, Alan Ott, Tom Worth, Mary Alonzo, Kent Lanclos and Ron Lundine of RMA; Ken Ackerman (phone), Olsen, Frank and Weeda; David Graves, American Association of Crop Insurers; Alex Offerdahl, Syngenta Seeds, Inc.; Jason Schickedanz (phone), AgForce; Jeff Harrison, Combest & Sell Assoc.; Nick Piggott, Barry Goodwin and Michelle Marra, Agri-Analytics; Keith Coble and Corey Miller, Mississippi State University; Dennis Judd, Kent Wanamaker, Dean Mohr, Art Barnaby, Pioneer Hi-Bred International, Inc; Randy Rhodes Stonington Insurance Company; Tim Hennessy and John Anderson, Monsanto Company; and

Clifton Parker, AGWIN.

Chairman Glauber asked Eldon Gould for the Manager's Report (the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)). Mr. Gould's specific comments included reporting that RMA is: working to implement farm bill provisions, including the modernization of RMA's IT systems; educating producers in prevented planting options; and extending the acreage reporting date to assist producers who have been affected by wet conditions.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 2951)

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 June 25, 2008.

Dispense with Reading – Minutes

The motion carried. (Exhibit 2952)

Approved

Chairman Glauber then reported that the Board and the submitters of Private Submission 0008 had agreed to stay action on Docket No. CI-Confidential Submission 0008 08-14-08 01 pending further discussion with RMA on concerns raised and further work on the submission.

Private Submission 0008

The next agenda item was Docket No. CI-Confidential Submission 0009 08-14-08 01. Before offering the resolution, the Chair asked Kim Arrigo to remind the Board of the procedures under which a policy or private insurance product would be sent out for expert review. She reminded the Board that Section 4.C of the "Internal Procedure for Approval of Policies, Changes to Policies, and Certain Other Actions", revised in October 2002, states:

Private Submission 0009

Curt Sindergard recused himself from the discussion and vote

"Expansion of existing pilot policies or existing policies submitted under section 508(h) of the Act; except that expert review is not required if the Board determines:

- 1) The policy has been operating in such a manner that the premium rates have proven to be actuarially appropriate;
- 2) The interests of producers are protected and served;
- 3) No program vulnerability problems have been identified; and
- 4) The new premium rates and related materials are appropriate for the expanded area."

The Chair then offered the following resolution, which was seconded:

WHEREAS, 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-Confidential Submission 0009 08-14-08 01, Exhibit 2956, the Board approves expert review for the Confidential Submission 0009 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 Confidential Submission 0009 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

After the Chairman opened the floor to discussion, the Board commented that the current procedures to send out a submission for expert review should be amended because of the nature of the submission. Several Board members stated that the product was previously submitted, sent for expert review, and approved for similar varieties. The Board asked RMA whether there would be any further information to be obtained by sending the product for expert review and RMA responded that no additional information would be learned with respect to the actuarial soundness of the submission because the rating methodology remained the same.

Based on the discussions, the Chair then offered the following resolution, which was seconded:

Approved

RESOLVED, That a revision to section 4.C of the internal procedures for approval of policies, changes to policies, and certain other actions, to read as follows:

Amend  
Procedures

“C. Expansion of existing pilots or existing policies submitted under section 508(h) of the Federal Crop Insurance Act, unless the Board determines:

1. That the policy is operating in such a manner that the premium rates have proven to be actuarially appropriate;
2. The interests of producers are protected and served;
3. No program vulnerability problems have been identified;
4. The new premium rates and related materials are appropriate for the expanded area; and
5. Notwithstanding section 4.C1., under the Risk Management Biotech Endorsement only, a modification

is made to a previously approved traited seed, which will be offered only in those areas where the previously approved traited seed has undergone expert review and the data related to the modified traited seed demonstrates that it will provide a reduction in risk at least as great as the previously approved traited seed.”

The Board (quorum of five) voted to approve the resolution. (Exhibit 2961)

Approved

Next the Chair offered the following resolution to amend the underlying resolution, which was seconded, to read as follows:

Private  
Submission 0009  
Amended  
Resolution

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0009 08-14-08 01, Exhibit 2956, as well as other material that were submitted to the Board on this matter, the Board hereby approves, under section 523(d) of the Federal Crop Insurance Act, Confidential Submission 0009 beginning with the 2009 crop year with reinsurance, producer subsidy and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager, conditioned upon the submitter’s full cooperation with the Risk Management Agency and other appropriate persons to develop a single unified biotech endorsement that will simplify the program, prevent confusion in the marketplace, and provide efficiencies to the crop insurance program delivery system. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to approve the unified biotech endorsement and to make such technical policy changes as are necessary to make the policy legally sufficient.

Curt Sindergard  
recused himself  
from the  
discussion and  
vote

The Board (quorum of five) voted to accept the amended resolution.

Accepted

The Chair hearing no further discussion put the resolution to a vote.

The Board (quorum of five) voted to approve the resolution as amended. (Exhibit 2956)

Approved

Confidential Submission 0009 08-14-08 01 refers to the expansion of the biotechnology endorsement pilot program to include Monsanto YieldGard® VT Triple PRO, as an approved corn for grain, seed technology, submitted by Western Agricultural Insurance Company, working with the Monsanto Company.

The Board then considered Docket No. CI-Confidential Submission

Private

0004 08-14-08 02.

Submission 0004

The Chairman offered the following resolution which was seconded:

Curt Sindergard  
recused himself  
from the  
discussion and  
vote

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0004 08-14-08 02, Exhibit No. 2955, as well as other material that were submitted to the Board on this matter, the Board hereby approves, under section 523(d) of the Federal Crop Insurance Act, the Confidential Submission 0004 beginning with the 2009 crop year in Kansas, Michigan, Missouri, Nebraska, Ohio, South Dakota and Wisconsin, with reinsurance, producer subsidy and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager, conditioned upon the submitter's full cooperation with the Risk Management Agency and other appropriate persons to develop a single unified biotech endorsement that will simplify the program, prevent confusion in the marketplace, and provide efficiencies to the crop insurance program delivery system. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to approve the unified biotech endorsement and to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board (quorum of five) voted to approve the resolution. (Exhibit 2955)

Approved

Confidential Submission 0004 08-14-08 02 refers to the expansion of the biotechnology endorsement pilot program to the states of Michigan, Missouri, Ohio, South Dakota, Wisconsin, Kansas and Nebraska for non- irrigated corn for grain and to the states of Kansas and Nebraska for irrigated corn for grain, submitted by Western Agricultural Insurance Company, working with the Monsanto Company.

The next agenda item was Docket No. CI-Confidential Submission 0002 08-14-08 03.

Private  
Submission 0002

Chairman Glauber offered the following resolution, which was seconded:

Curt Sindergard  
recused himself  
from the  
discussion and  
vote

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0002 08-14-08 03, Exhibit No. 2954, as well as other related materials that were submitted to the Board on this matter, the Board hereby approves, under section 523(d) of the Federal Crop Insurance Act, the Confidential Submission 0002, beginning with the 2009 crop year in Iowa, Illinois, Indiana, Minnesota, Nebraska, South Dakota and Wisconsin, with reinsurance, producer subsidy and administrative

and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager, conditioned upon the submitter's full cooperation with the Risk Management Agency and other appropriate persons to develop a single unified biotech endorsement that will simplify the program, prevent confusion in the marketplace, and provide efficiencies to the crop insurance program delivery system. Approval does not include any applicable underwriting and/or administrative materials related to any platform for future submissions. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to approve the unified biotech endorsement and to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board (quorum of five) voted to approve the resolution. (Exhibit 2954)

Approved

Confidential Submission 0002 08-14-08 03 refers to the approval for Syngenta Agrisure® CB and RW stacked and Agrisure® 3000GT hybrids for non-irrigated corn for grain in Iowa, Illinois, Indiana, Minnesota, Nebraska, South Dakota, and Wisconsin, submitted by John Deere Risk Protection, Inc, in conjunction with Syngenta Seeds, Inc.

The next agenda item was Docket No. CI-Confidential Submission 0005 08-14-08 02.

Private  
Submission 0005

Chairman Glauber offered the following resolution, which was seconded:

Curt Sindergard  
recused himself  
from the  
discussion and  
vote

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0005 08-14-08 02, Exhibit No. 2957, as well as other material that were submitted to the Board on this matter, the Board hereby approves, under section 523(d) of the Federal Crop Insurance Act, Confidential Submission 0005 beginning with the 2009 crop year in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, South Dakota, and Wisconsin, with reinsurance, producer subsidy and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager, conditioned upon the submitter's full cooperation with the Risk Management Agency and other appropriate persons to develop a single unified biotech endorsement that will simplify the program, prevent confusion in the marketplace, and provide efficiencies to the crop insurance program delivery system. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to approve the unified biotech endorsement and to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion the Board (quorum of five) voted to approve the resolution. (Exhibit 2957)

Approved

Confidential Submission 0005 08-14-08 02 refers to the approval for Pioneer and Dow AgroSciences Herculex® Xtra and Herculex® Xtra RR2® hybrids for non-irrigated corn for grain in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, South Dakota, and Wisconsin, submitted by Stonington Insurance Company and Agro National, LLC, in conjunction with Dow AgroSciences, LLC, and Pioneer Hi-Bred International, Inc.

Docket No. CI- Actual Production History Avocado Pilot Crop Insurance Program - 08 – 02 was the next action item before the Board.

APH Avocado Pilot Program

Ron Lundine, of RMA, indicated that this product was an actual production history product that addressed the concerns of complexity expressed by producers and approved insurance providers regarding the complexity of another currently available insurance program for avocados. He also stated that the APH Avocado Pilot will utilize a traditional price election that will allow timely settlement of claims.

Chairman Glauber offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI- Actual Production History Avocado Pilot Crop Insurance Program - 08 - 02, Exhibit No. 2958, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Actual Production History (APH) Avocado Pilot Crop Insurance Program and approves the termination of the California Avocado Revenue program beginning with the 2009 reinsurance year, with reinsurance, administrative and operating subsidy and producer subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 523 of the Federal Crop Insurance Act, 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 policy legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 2958)

Approved

The Board next considered Docket No. CI- GRP Rangeland New Index Pilot Crop Insurance Program – 08-02.

GRP Rangeland New Index Pilot Program

Ron Lundine updated the Board regarding their past action regarding the GRP Rangeland New Index Pilot Crop Insurance Program. The Board, in their last meeting, approved continuing the GRP Rangeland New Index Pilot Crop Insurance Program until it could be determined that there would be sufficient funding to implement the Board approved expansion of Pasture, Rangeland, Forage Rainfall Index Pilot Program, in addition to the Vegetation Index Pilot Program, in Montana. He stated that RMA had received the appropriate approvals, under the pay-go requirements, to implement the Pasture Rangeland Forage Rainfall Index Pilot Program in the state of Montana.

The Chair then offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI- GRP Rangeland New Index Pilot Crop Insurance Program – 08-02, Exhibit 2959, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves termination of the GRP Rangeland New Index Pilot Crop Insurance Program effective with the 2009 crop year.

The Board voted to approve the resolution. (Exhibit 2959)

Approved

The next action item before the Board was Docket No. CI- Farm-Raised Catfish Pilot Crop Insurance Program and Farm–Raised Trout Pilot Crop Insurance Program - 08-01. Chairman Glauber called upon Mary Alonzo of RMA to brief the Board regarding the Pilot Program.

The Farm-Raised Catfish and Farm–Raised Trout Pilot Crop Insurance Programs were developed under the direction of the Board to address the needs of industries, who currently are not covered by crop insurance and represent \$500 million in sales, according to Mary Alonzo. These pilot programs would insure mortality due to various causes of loss specific to certain species of catfish or trout.

The Chairman offered the following resolution, which was seconded:

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- Farm-Raised Catfish Pilot Crop Insurance Program and Farm–Raised Trout Pilot Crop Insurance Program - 08-01, Exhibit 2960, the Board approves expert review for the Farm-Raised Catfish Pilot Crop Insurance Program and Farm–Raised Trout Pilot Crop Insurance Program 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 Farm-Raised Catfish Pilot Program and Farm–Raised Trout Pilot Crop Insurance Program prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The Board voted to approve the resolution. (Exhibit 2960)

Approved

There being no further business to come before the Board the meeting adjourned to meet again, September 25, in Kansas City, MO.

August, 14, 2008

                          
*/signed/*  
Cindy Spoor, Secretary  
Federal Crop Insurance Corporation