

**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 June 14, 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  
June 14, 2001

Keith Collins, Acting Chairman of the Board, introduced J. B. Penn in his new and official role as Under Secretary for Farm and Foreign Agricultural Services and FCIC Board member, to the FCIC Board and the audience.

J. B. Penn

The meeting was called to order at 9:10 a.m.

Call to Order

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

Present

Also present were Butch May, Farm and Foreign Agricultural Services; Mike Neruda, Confidential Assistant to Secretary Veneman; Kim Arrigo, Office of the General Counsel (OGC); Darrel Swanson, Office of Inspector General; Tim Witt, Tim Hoffmann, Bob Vollmert, Marian Jenkins, Craig Witt, Don Stonecypher, Larry Piatz, Mary Slay, David Miller, Mary Rekas, Sharon Hestvik, and Damaris Falero-Kendall, Assistant Secretary to the Board, of the Risk Management Agency (RMA); Ken Ackerman, Olsson, Frank and Weeda, P.C.; Sarah Tyree, AgriLogic, Inc; John Jurich, House Agriculture Committee; Linda Vickers, Consultant for Rural Community Insurance Services; Stephen Frerichs of American Association of Crop Insurers; David Bossman, Peter Griffin, Phil Olson and Dan Carlisle of American Agri-Business Insurance Company; and Roger Swartz of American Farm Bureau Insurance Services, Inc.

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 March 29, 2001, May 10, 2001 and May 30, 2001.

Dispense with Reading and Minutes Accepted

The motion carried. (Exhibit Nos. 2037, 2038, and 2039.)

Joe Glauber of the Office of the Chief Economist arrived at the meeting at 9:14 a.m.

Joe Glauber

Thomas Hunt Shipman, Acting Deputy Under Secretary arrived at the meeting at 9:20 a.m.

Thomas Hunt Shipman

Barry Cleaveland, Senior Vice President, American Agrisurance, Inc., arrived at the meeting at 9:25 a.m.

Barry Cleaveland

Barbara Leach, Consultant, arrived at the meeting at 9:35 a.m.

Barbara Leach

Dan Orr, RMA, arrived at the meeting at 9:45 a.m.

Dan Orr

J.B. Penn left the meeting at 9:55 a.m. and returned at 10 a.m.

J.B. Penn

Thomas Hunt Shipman left the meeting at 10:05 a.m. and returned at 10:06 a.m.

Thomas Hunt Shipman

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

RESOLVED, That Board Memorandum No. 609, Exhibit No. 2040, authorizing the Federal Crop Insurance Corporation to make the specific policy changes recommended by the Risk Management Agency in its Report to the Board of Directors and to implement the pilot Forage Seed Crop Insurance Program with these changes; and with those previously approved by the Board in Docket No. CI-FS-00-1, in Kings County, California; Owyhee County, Idaho; Big Horn County, Montana; Humboldt and Pershing Counties, Nevada; Malheur County, Oregon; Grant and Walla Walla Counties, Washington; and Big Horn and Park Counties, Wyoming effective for the 2002 through 2005 crop years, is hereby approved.

Additional Changes to Pilot Forage Seed Corp Insurance Program

The motion carried. (Board Memorandum No. 609 Exhibit No. 2040.)

J. B. Penn left the meeting at 10:10 a.m.

Thomas Hunt Shipman left the

meeting at 10:25 a.m.

Barbara Leach left the meeting at 10:28 a.m. and returned at 10:45 a.m.

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

RESOLVED, That Docket No. CI-IP-MALTBAR-01-1, Exhibit No. 2041, authorizing the Federal Crop Insurance Corporation to revise the pilot Income Protection - Barley Crop Insurance Program Malting Barley Price and Quality Endorsement to provide coverage based on prices from contracts with businesses not otherwise associated with breweries in those counties previously approved by the Board in Idaho, Minnesota, Montana, North Dakota, Oregon, South Dakota, and Washington effective for the 2002 through the 2005 crop years is hereby approved, AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make technical policy changes as are necessary to make the endorsement legally sufficient.

A motion was made and seconded to amend Docket No. CI-IP-MALTBAR-01-1, Exhibit No. 2041, to limit the pilot program to one year, with an evaluation at the end of the year, and to cap the additional value price per bushel at \$1.25 in Option A of the Income Protection-Barley Crop Insurance Program Malting Barley Price and Quality Endorsement.

The amendment carried.

The motion to adopt the resolution contained in Docket No. CI-IP-MALTBAR-01-1, Exhibit No. 2041, as amended, carried. (Board Memorandum No. 610. Exhibit No. 2041.)

The meeting recessed at 10:30 a.m.

The meeting reconvened in Open Session at 10:45 a.m. A statutory quorum was present.

Mike Neruda left the meeting at 10:45 a.m.

A motion was made and seconded to table Board Memo No. 611, Resolution to Approve Internal Procedures for Approval of Policies, Changes to Policies, and Certain Other Actions.

J.B. Penn  
Thomas Hunt Shipman

Barbara Leach

Pilot Income Protection -  
Barley Crop Insurance  
Program Malting Barley  
Price and Quality  
Endorsement Revision

Recess

Reconvene

Mike Neruda

Tabled - Resolution to  
Approve Internal  
Procedures for Approval  
of Policies, Changes to

The Board directed RMA to provide options for the Board's consideration at a future Board meeting.

Policies, and Certain  
Other Actions

The motion carried. (Board Memo No. 611; Exhibit No. 2042.)

A motion was made and seconded to disapprove Board Memo No. 612, Resolution to Delegate Authority to Select and Assign Expert Reviewers for Independent Review of a Policy or Plan of Insurance and to Execute and Administer Contracts.

Disapproved - Resolution  
to Delegate Authority to  
Select and Assign Expert  
Reviewers for  
Independent Review of a  
Policy or Plan of  
Insurance and to Execute  
and Administer Contracts

The motion carried. (Board Memo No. 612; Exhibit No. 2043.)

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

RESOLVED, That the Federal Crop Insurance Corporation Board of Directors (Board) has determined that expert review of the Livestock Risk Protection (LRP) program as resubmitted by American Agri-Business Insurance Company (AABIC) and received by the Risk Management Agency (RMA) on June 11, 2001, is necessary and should occur as soon as practicable after RMA determines that the resubmission is complete, and has delegated the authority to RMA to select and assign the expert reviewers from the master list of reviewers previously approved by the Board, prepare the task order statement of work, and execute and administer the contract for the review of the resubmitted LRP program.

Livestock Risk  
Protection Program

The motion carried. (Exhibit No. 2045.)

A motion was made and seconded at 11:10 a.m., to go into Executive Session. The motion carried. A statutory quorum was present.

Executive Session

Present were Keith Collins, Chief Economist, USDA; Michael Keating, Jack Kintzle, and Bobby Webster, constituting a statutory quorum; Phyllis W. Honor, Acting Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Butch May, Farm and Foreign Agricultural Services; Joe Glauber, Office of the Chief Economist; Kim Arrigo, OGC; Tim Witt, Tim Hoffmann, Bob Vollmert, Craig Witt, Mary Rekas, Mary Slay, Sharon Hestvik,

Dave Miller, Dan Orr and Damaris Falero-Kendall of RMA; and Barry Cleveland of American Agrisurance, Inc.

The meeting returned to Open Session at 11:30 a.m. A statutory quorum was present.

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

RESOLVED: That 1) the Manager of the Corporation is authorized to enter into and execute contracts with the persons or entities from the list of reviewers provided the Board, or the alternates in case the proposed persons are not available, to review the "Livestock Gross Margin Insurance Policy" prior to Board action, 2) the task order statement of work be used to execute the contracts, and 3) the contract vehicle to be used for the execution of these contracts be either direct contracts with the reviewers, or subcontracts with the reviewers through existing contracts such as the General Services Administration (GSA) FEDSIM Millennia contract (GS00T99ALD0210), GSA Schedule 70, GSA MOBUS Schedule, or NIH CIOSP contract.

The motion carried (Board Memo No. 613; Exhibit No. 2044.)

Keith Collins acknowledged the resignation of Board member Jack Kintzle, effective July 1, 2001.

There being no further business to come before the Board, the meeting adjourned at 11:34 a.m., sine die.

June 14, 2001

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

Open Session

Livestock Gross Margin Insurance Policy - Approval of Reviewers and Alternates, Task Order Statement of Work; and Execution of the Contract

Jack Kintzle Resignation

Adjourn