

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 July 26, 2007, in Room 108-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
July 26, 2007

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

Call to Order
Open Session

The Board then immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of products under section 508(h) of the Federal Crop Insurance Act (508(h) submissions).

Executive Session

The open session of the Board reconvened at 1:00 p.m.

Reconvene 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. No issues were identified that would require recusal of any members of the Board for this meeting.

Recitation

The Chairman requested Board members to introduce themselves. Present were Keith Collins, Chief Economist USDA and Chairperson; Mark Keenum, Under Secretary Farm and Foreign Agricultural Services (FFAS); Bill Classen; Tim Kelleher; Mike Pickens; Curt Sindergard and Luis Monterde, constituting a statutory quorum; Eldon Gould, Manager, FCIC; and Brent Doane, Secretary, FCIC and James Callan, Deputy Manager, FCIC. (Board member Frank Jones notified the Board prior to the meeting that he would not be able to attend the July 26, 2007 meeting.)

Present

Also present were Floyd Gaibler, Deputy Under Secretary, FFAS; Butch May, FFAS; David Grahn, Kim Arrigo and Don Brittenham, Office of the General Counsel (OGC); Alan Ott, Tim Witt, Tim Hoffman, Cindy Spoor, Leiann Nelson, Margo Erny, Mary Alonzo, Vondie O'Conner, Velerie Eddelman (phone) and Bridger Roy of RMA; Hunt Shipman, Cornerstone Group; Jason Schickedanz and Kerry Shropshire, AgForce; Kent Wilson (phone), Crop Insurance Research Bureau; and Karen Powell (phone), Pennsylvania Department of Agriculture.

Chairman Collins asked Eldon Gould, FCIC Manager for the

Manager's Report

Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Gould commented specifically on the growth of the program, notably that the program had exceeded for the first time the \$50 billion mark in liability with a potential of exceeding the \$65 billion mark before the 2007 crop year is over. Additional comments included updates on the Common Crop Insurance Policy Basic Provisions (COMBO policy); the flooding in Missouri, Kansas, Texas and Oklahoma; Mr. Callan's trip to Minnesota to meet with representatives of NAU; the spread of soybean rust in Louisiana and Texas; and RMA's reviews of the AIP's plans of operations, which resulted in sixteen companies being approved to sell crop insurance, nine companies being approved to sell livestock insurance, and one company not being approved due to a lack of financial and operational resources. Mr. Gould also announced that four companies were approved to have the opportunity to offer discounts under the Premium Reduction Plan in 2008 and that the Compliance division was in the process of completing its scheduled company annual reviews.

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 5, 2007.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit No. 2905)

Approved

Next the Board took up four 508(h) submissions. Due to the proprietary nature of these submissions, no presentations were made in the public session of the meeting.

The Chair offered the following resolution, which was seconded, for adoption:

508(h)
Submission –
Apiculture Rainfall
Index

RESOLVED, that pursuant to the information contained in Docket No. CI-Apiculture Rainfall Index 07-02, Exhibit No. 2907, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the API-RI plan of insurance in specific counties in Colorado, Pennsylvania, and South Carolina, and the entire states of Alabama, Idaho, North Dakota, Montana, and Texas, with expansion as determined appropriate by the Manager, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 508(h) of the Federal Crop Insurance Act. 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.

This Board approval is contingent upon the following terms: That the underwriting concerns raised during the Executive Session be adequately addressed.

The Board voted to approve the resolution. (Exhibit 2907)

Approved

The Chair offered the following resolution, which was seconded, for adoption:

508(h)
Submission –
Apiculture
Vegetation Index

RESOLVED, that pursuant to the information contained in Docket No. CI-Apiculture Vegetation Index 07-02, Exhibit No. 2908, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the API-VI plan of insurance in specific counties in South Carolina, Pennsylvania, Colorado, and the entire states of New York, Oklahoma, Oregon, South Dakota, and Wyoming, with expansion as determined appropriate by the Manager, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 508(h) of the Federal Crop Insurance Act. 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.

This Board approval is contingent upon the following terms: That the underwriting concerns raised during the Executive Session be adequately addressed.

The Board voted to approve the resolution. (Exhibit 2908)

Approved

The Chair offered the following resolution, which was seconded, for adoption:

508(h)
Submission
LGM Dairy

RESOLVED, that pursuant to the information contained in Docket No. CI - LGM Dairy - 07-02, Exhibit No. 2909, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the LGM-Dairy plan of insurance in those states where the LGM plan of insurance is currently offered (Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Utah, West Virginia, Wisconsin and Wyoming) as well as the 15 underserved states of Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and the state of Arizona with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under sections 508(h) and 523(b) of the Federal Crop Insurance Act. 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.

The Board voted to approve the resolution. (Exhibit 2908)

Approved

The Chair announced that at the request of the submitter, the 508(h) Milk Revenue Plan of Insurance Submission was withdrawn.

508(h)
Submission
Milk Revenue –
Withdrawn

The Chair also announced that the action item for consideration of Expansion of Expert Reviewers had been tabled.

Expansion of
Expert Reviewers

In closing remarks, Chairman Collins noted that the products approved today offered for the first time coverage to beekeepers and dairy producers.

Chairman Collins then thanked the Board members and staff for their participation and efforts.

There being no further business to come before the Board the meeting adjourned to meet again in September.

Adjournment

July 26, 2007

/signed/
Brent Doane, Secretary
Federal Crop Insurance Corporation