United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

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Washington, DC
20250-0801

TO: Board of Directors April 10, 2002
Federal Crop Insurance Corporation

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

SUBJECT: Board Memorandum No. 650
Docket No. CI-FCIC-Pilots-Various-02-1
Continuation of Specified Pilot Crop Insurance Programs through the 2003 to 2005 Crop Years for Areas Where Each Pilot Program is Currently Offered

There is submitted for your consideration the subject docket authorizing or not authorizing the Federal Crop Insurance Corporation (FCIC) to continue to offer specified crop insurance programs on a pilot basis through the 2003 (cherry, crambe, cultivated wild rice, Florida avocado, Income Protection program, mustard, pecan (revenue), Group Risk Plan rangeland, and sweet potatoes), 2004 (cabbage, coverage enhancement option, cultivated clams, Florida Fruit Trees, avocado/mango trees, fresh market beans, mint, onion stage removal option, processing chile peppers, processing cucumbers, strawberries, and winter squash) or 2005 (apple quality option, California avocado (revenue), and citrus dollar), for areas where each pilot program is currently offered.

Approval of this docket will authorize the continuation of the listed pilot programs through the crop years specified in the background data.

For FCIC to continue offering insurance for the pilot programs listed above through the specified crop years it is necessary for the Board of Directors to approve Docket No. CI-FCIC-Pilots-Various-02-1.

RESOLVED, That Docket No. CI-FCIC-Pilots-Various-02-1, Exhibit No. 2096, authorizing the Federal Crop Insurance Corporation to continue to offer specified pilot insurance programs for additional years, as indicated in the background data, for areas where each pilot program is currently offered, is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final pilot program procedural requirements.

OR

RESOLVED, That Docket No. CI-FCIC-Pilots-Various-02-1, Exhibit No. 2096, is hereby disapproved.

"For Official Use Only" and "Secure Storage Required" Provisions Expired on: April 11, 2002

FCIC Docket No. CI-FCIC-Pilots-Various-02-1

Continuation of Specified Pilot Crop Insurance Programs for Additional Crop Years for Areas Where Each Pilot Program is Currently Offered

Voted on by the Board of Directors on: April 11, 2002

Continuation of Specified Pilot Crop Insurance Programs for Additional Crop Years for Areas Where Each Pilot Program is Currently Offered

Docket No. CI-FCIC-Pilots-Various-02-1

SUMMARY

If approved by the Board, this docket will authorize the Federal Crop Insurance Corporation to continue to offer specified crop insurance programs on a pilot basis for additional crop years, as indicated in the background data, for areas where each pilot program is currently offered.

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

Continuation of Specified Pilot Crop Insurance Programs for Additional Crop Years for Areas Where Each Pilot Program is Currently Offered
Docket No. CI-FCIC-Pilots-Various-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 continue to offer specified crop insurance programs on a pilot basis for additional crop years, as contained herein, for areas where each pilot program is currently offered.

II. Justification

Prior to the passage of the Agricultural Risk Protection Act of 2000 (ARPA), Board approval of the duration period for pilot programs varied, generally ranging from 1 to 3 crop years. After the end of the approved pilot period, an evaluation of the program is conducted and a recommendation is generally made to: 1) continue the program as a pilot; 2) expand and continue the program as a pilot for a specified period; 3) convert the program to permanent regulatory program status; or 4) terminate the program. The recommendations may include modifications to be made to the program based upon the pilot experience.

Section 523(a)(4) of ARPA provides authority to operate pilot programs for up to 4 years and authorizes extensions where the Corporation deems necessary. After a pilot program has operated for a sufficient period to provide experience and data necessary to evaluate its performance, an additional 12-18 months are necessary to obtain data from the last year of experience and conduct an evaluation. Since many evaluations may be conducted via contract, additional time is required to develop the evaluation statement of work and conduct the contracting process to select a contractor to conduct the evaluation. Pilot program evaluations typically take approximately six months to finalize. The completion of these processes means the program in reality may be in its fifth or sixth year. Any actions or changes in the programs must take into consideration certain contractual obligations based on the contract change date.

When an evaluation is conducted and the Board approves conversion to a permanent regulatory program, an extension of the pilot program period for an additional two years will generally be necessary to allow time for final review by the Office of the General Counsel (OGC) and publication of rulemaking in the Federal Register. Attachment 2 illustrates the time line from initial approval of a pilot program to final evaluation. In general, the entire process takes a minimum of 5 to 6 years.
The authority contained in this docket is needed for FCIC to continue to offer specified

crop insurance programs on a pilot basis for additional years, as indicated in the background data, for areas where each pilot program is currently offered. Attachment 3 identifies the States and counties of availability for each specified pilot program for the 2002 crop year. Attachment 4 contains experience data for the specified pilot programs. Data for the 2002 crop year is preliminary at this time for most programs and is unavailable for others where it is not shown.

III. Background Data on the Specified Pilot Crop Insurance Programs

The following contains general information for each pilot program. Generally, the continuation of the pilot programs is requested for five years from the year of the initial program offering. This allows for four years of pilot performance and an additional one year to obtain data from the third and fourth pilot years, conduct an evaluation and schedule appropriate action for Board consideration. Continuation is requested for additional years as identified herein, when a contract for evaluation is pending or is currently underway.

PILOT PROGRAMS TO BE CONTINUED THROUGH THE 2003 CROP YEAR:

CHERRY (DOLLAR):

The Pilot Cherry Crop Insurance Program was initiated beginning with the 1999 crop year in California, Montana, Oregon, and Washington. The insurance plan is a fixed-dollar plan that provides protection against declining value due to damage that causes a yield shortfall. The amount of insurance is based on the costs of growing cherries in the area. A loss can occur when the annual value of the cherry crop is less than the amount of insurance. Annual value is the on-tree value of marketable production. The maximum dollar amount of insurance is listed on the actuarial documents. The insured crop is limited to certain varieties of sweet cherries produced in the county. **Board approval of program continuation is requested through the 2003 crop year.**

CRAMBE:

The Pilot Crambe Crop Insurance Program was initiated beginning with the 1999 crop year in the following North Dakota counties: Bottineau, Golden Valley, Grant, Hettinger, Renville, Stark, and Ward. Insurance is available by written agreement in all other North Dakota counties.

The insurance plan is an individual yield plan using actual production history (APH) rules for developing insurance guarantees. Producers' actual production records of planted acres and production verified by processor receipts are used to establish the insurance guarantee. Insured causes of loss are adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of the irrigation water supply. **Board approval of program continuation is requested through the 2003 crop year.**

CULTIVATED WILD RICE:

The Pilot Cultivated Wild Rice Crop Insurance Program was initiated beginning with the 1999 crop year in the following areas: Lassen, Modoc, Shasta, and Sutter counties, California; and Aitkin, Beltrami, Clearwater, Lake of the Woods, Pennington, and East Polk counties, Minnesota.

The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. Insured causes of loss are adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of irrigation water supply. **Board approval of program continuation is requested through the 2003 crop year.**

FLORIDA AVOCADO (APH):

The Pilot Florida Avocado Yield-Guarantee Program was initiated beginning with the 1999 crop year for Dade County, Florida. The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. This pilot program provides insurance protection against adverse weather conditions, fire, earthquake, volcanic eruption, and failure of the irrigation water supply. The sales closing date is November 30. **Board approval of program continuation is requested through the 2003 crop year.**

INCOME PROTECTION PROGRAM (IP):

The IP is a revenue insurance pilot program initially offered for the 1996 crop year for corn, cotton, and wheat. It was expanded and is currently available for barley, corn, cotton, grain sorghum, soybeans, and wheat. The Malting Barley Price and Quality Endorsement to the IP Barley was revised and approved by the Board for the 2002 crop year only, pending review. The endorsement insurance experience information for the 2002 crop year will be available during the 2003 crop year. The IP pilot program provides protection against a loss of revenue due to insurable reductions in yield, price, or both. RMA has contracted for an evaluation of the IP pilot program to be conducted. **Board approval of program continuation, including the malting barley endorsement, is requested through the 2003 crop year.**

MUSTARD:

The Pilot Mustard Crop Insurance Program was initiated beginning with the 1999 crop year for all counties in North Dakota. Insurance is available through actuarial documents for Adams, Billings, Bottineau, Burke, Cavalier, Divide, Dunn, Golden Valley, Hettinger, McLean, Mountrail, Nelson, Ramsey, Renville, Slope, Stark, Towner, Ward, and Williams counties. Insurance is available in all other North Dakota counties by written agreement.

The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. Processor contract prices are used as a basis for setting reference prices, and individual yield data is supported by processor receipts. Insured causes of loss are adverse weather, fire, wildlife, insects, plant disease, earthquake, volcanic eruption, and failure of irrigation water supply.   **Board approval of program continuation is requested through the 2003 crop year.**

PECAN (REVENUE):

The Pilot Pecan Revenue Crop Insurance Program was established beginning in the 1998 crop year for Georgia, Texas, and New Mexico. This pilot program provides protection against unavoidable loss of pecan revenue and uses the pecan revenue plan of insurance. The pecan policy is a continuous policy purchased in two-year coverage modules: i.e., producers are required to remain in the program for two crop years at the same premium rate, coverage level, and guarantee. This provision was included to account for the alternate-bearing tendency of pecans. Coverage, premiums, and indemnities are processed on a yearly basis. The amount of insurance is based on the producer's individual average dollar amount (which is an average of the gross sales for the years reported) and the coverage level elected. **Board approval of program continuation is requested through the 2003 crop year.**

RANGELAND (GRP):

The Pilot GRP Rangeland Program is a Group Risk Plan program available in 12 counties in Montana, that was initiated beginning with the 1999 crop year as a result of requests RMA received from individual ranchers, ranching associations, and the Intertribal Agriculture Council. RMA gathered information regarding economic and agronomic aspects of the crop, in consultation with Range Economists, Range Specialists, Range Conservationists, Range Nutritionists, Agricultural Economists of the Extension Service, the Natural Resource Conservation Service, Montana State University, representatives of the Intertribal Agriculture Council, ranching associations, and individual ranchers.

Rangeland is generally defined as native pasture used for grazing livestock. The primary production peril for rangeland is drought. Most of the interest in the development of a rangeland program came from Montana ranching interests. Montana had approximately 37 million acres of rangeland and the proposed pilot counties represented approximately 40 percent of that acreage. Significant drought conditions have been common in Montana during the pilot's operation. RMA has committed to working with the rangeland industry to address concerns regarding the timeliness, equitability, and method for triggering indemnities when damage occurs. RMA has also contracted for research into the feasibility of a pasture and rangeland program that might provide protection based on an individual basis, rather than a group plan.

A Pilot GRP Rangeland Evaluation is planned to be contracted in Fiscal Year 2002. **Board approval of program continuation is requested through the 2003 crop year.**

SWEETPOTATOES:

The Pilot Sweetpotato Crop Insurance Program was initiated beginning with the 1998 crop year for the following areas: Baldwin county, Alabama; Merced county, California; Avoyelles, Morehouse, and West Carroll parishes, Louisiana; Columbus and Johnson counties, North Carolina; and Horry County, South Carolina. The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. Recently proposed legislative language includes a provision to cover sweetpotatoes in storage. Producer listening sessions have been concluded and a program evaluation is being conducted during Fiscal Year 2002. The program has experienced significant losses resulting primarily from adverse weather conditions including hurricanes. **Board approval of program continuation is requested through the 2003 crop year.**

PILOT PROGRAMS TO BE CONTINUED THROUGH THE 2004 CROP YEAR:

CABBAGE:

The Pilot Cabbage Crop Insurance Program began in 1999 for the November 30 filing in New York, North Carolina, Pennsylvania, Virginia, and one county in Georgia; and in 2000 for the April 30 filing in Florida, South Carolina, Texas, and one county in Georgia. The program was expanded in 2000 for the November 30 filing in Alaska, Illinois, Michigan, Ohio, Oregon, Washington, and Wisconsin. The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. One of the major changes in the program was the incorporation of an acreage limitation statement that was added beginning with the November 30 filing for the 2000 crop year.

The pilot program is scheduled to be evaluated during 2002. Changes are planned that will be submitted as part of the program evaluation. The definition of “type” will be proposed to include “fresh” and “processing.” Types are now designated as “red” and “green.” Unit division will be revised to better fit the needs of the individual areas. Clarification changes will also be proposed. **Board approval of program continuation is requested through the 2004 crop year.**

COVERAGE ENHANCEMENT OPTION (CEO):

CEO is an option that attaches to multiple peril crop insurance (MPCI) policy provisions. The program was developed as a result of requests by individuals, producer associations, Congressional representatives, insurance companies and agents, that FCIC make available a risk management product that offers higher levels of insurance coverage at more affordable premiums. If a loss is payable under the MPCI policy provisions, this option retroactively reduces the MPCI deductible, thereby increasing the amount of coverage and indemnity.

CEO was initiated in the following crops and states: apples and grapes in Pennsylvania and Washington; canola in North Dakota; citrus trees in Texas; cranberries in Massachusetts, potatoes in Idaho, Maine and Pennsylvania; rice in Arkansas, Louisiana and Mississippi; and stone fruit and walnuts in California for the 2000 through 2002 crop years; and citrus fruit in Florida and Texas for the 2001 through 2003 crop years in all counties where the actuarial documents are filed. The program was made available only to those producers choosing levels of insurance coverage above the catastrophic risk protection (CAT) level. Many of the crops and states selected for this pilot had a high participation rate at the CAT level. CAT as a percent of premium-earning policies ranged from a low of 12 percent for canola to 94 percent for Florida Citrus Fruit. It was felt that the wide variance in percentage of CAT policies and the high overall average of 62 percent CAT policies for the selected crops would provide a good test to determine producer acceptance of this risk management tool and the impact it may have on producers' purchasing levels of coverage above those otherwise in effect. **Board approval of program continuation is requested through the 2004 crop year.**

<u>CULTIVATED CLAMS:</u>

The Pilot Cultivated Clam Crop Insurance Program was initiated beginning with the 2000 crop year in Brevard, Dixie, Indian River, and Levy Counties, Florida; Barnstable, Bristol, Dukes, Nantucket, and Plymouth Counties, Massachusetts; Buford and Charleston Counties, South Carolina; and Accomack and Northampton Counties, Virginia. The program provides protection against: oxygen depletion (due to vegetation, microbial activity, harmful algae bloom, or high water temperature), disease, freeze, hurricane, increase or decrease in salinity, tidal wave, storm surge, or windstorm. This program is the Corporation's first attempt at insuring an aquaculture species.

The insurance plan for clams is an aquaculture dollar plan based on the insured’s inventory value. Insurance units are basic units by ownership with optional units by noncontiguous lease parcel.

Modifications to the pilot crop provisions have been recommended by producers, loss adjusters, and agents, and RMA is currently developing a task order to address those recommendations. **Board approval of program continuation is requested through the 2004 crop year.**

<u>FLORIDA FRUIT TREES:</u>

The Pilot Florida Fruit Tree Program provides insurance coverage for orange, grapefruit, lemon, lime, all other citrus, and carambola trees. The program is available in 29 Florida counties that account for the majority of the commercial fruit and citrus production in Florida. The insurance plan is a tree-based dollar amount of insurance plan, which allows the insured to select from a range of coverages to apply to all covered trees in the county.

The RMA pilot program evaluation completed in the 2001 crop year indicated producers want major changes made to the pilot program, preferably before it is converted to permanent status. The changes will require the pilot program to be modified. The research and development for this modification is planned to be contracted in Fiscal Year 2002. **Board approval of program continuation is requested through the 2004 crop year.**

AVOCADO/MANGO TREES:

The Pilot Avocado/Mango Tree Program was available beginning with the 1998 crop year in Dade county, Florida. The program was initiated by breaking these trees out separately from their coverage under the pilot Florida Fruit Tree program due to modifications needed that were specific to avocado and mango trees. The insurance indemnifies insureds for trees that are killed or severely damaged by the insured perils (freeze, wind, and excessive moisture). The insurance plan is a tree-based dollar amount of insurance plan, which allows the insured to select from a range of coverages to apply to all covered trees in the county. The coverage approximates the variable expenses of replacing or rehabilitating damaged trees, and annual expenses until the income from production equals expenses. **Board approval of program continuation is requested through the 2004 crop year.**

FRESH MARKET BEANS:

The Pilot Fresh Market Bean Crop Insurance Program was initiated beginning with the 2000 crop year in Dade County, Florida; Hyde County, North Carolina; and Accomack and Northampton Counties, Virginia. The insurance plan is a dollar amount of insurance plan.

Modifications to the pilot program have been recommended by producers and loss adjusters, and RMA is currently developing a contract task order to address those recommendations. **Board approval of program continuation is requested through the 2004 crop year.**

MINT:

The Pilot Mint Crop Insurance Program began in the 2000 crop year in Indiana, Montana, Washington, and Wisconsin. The insurance plan is an individual yield plan using APH rules for developing insurance guarantees. There has been no expansion of this program.

There have been no major changes since the program’s inception. This program is scheduled to be evaluated in 2003. **Board approval of program continuation is requested through the 2004 crop year.**

ONION STAGE REMOVAL OPTION:

The Pilot Onion Stage Removal Option Program was initiated beginning with the 2000 crop year in 21 counties in Michigan where onion insurance was currently offered: Allegan, Arenac, Barry, Bay, Calhoun, Cass, Clinton, Eaton, Ingham, Ionia, Isabella, Jackson, Lapeer, Mecosta, Montcalm, Muskegon, Newaygo, Ottawa, St. Clair, Tuscola, and Washtenaw counties; and in 12 counties in New York where onion insurance was currently offered: Cayuga, Genesee, Madison, Oneida, Ontario, Orange, Orleans, Oswego, Seneca, Steuben, Wayne, and Yates counties. Board approval specified that the option is to be made available in any other counties in Michigan and New York where crop insurance for onions may be made available during the duration of this pilot program.

While onion crop insurance was currently available in Michigan and New York, producers in these States believed their onion cultural practices were sufficiently different from other regions of the country and asked for an onion policy without stage guarantees. The pilot provided the opportunity to determine if producers are willing to pay an additional premium for such coverage.

Approximately 10,553 acres of onions were insured in the initial pilot program option areas. The RMA Regional Offices estimate that participation in the option may be 35 percent of the current policyholders in these States. At these participation rates, approximately 3,694 acres would be insured. With the option, potential liability on the acres would increase to approximately $5.1 million, with approximately $694 thousand additional premium earned. **Board approval of program continuation is requested through the 2004 crop year.**

PROCESSING CHILE PEPPERS:

The Pilot Processing Chile Pepper Crop Insurance Program was initiated beginning with the 2000 crop year in Cochise county, Arizona; and Hidalgo and Luna counties, New Mexico. Chile peppers in these counties are grown for processing. The insurance plan is a fixed dollar plan that provides a fixed dollar amount of coverage ranging from 50 percent through 75 percent coverage levels for four chile varieties. **Board approval of program continuation is requested through the 2004 crop year.**

PROCESSING CUCUMBERS:

The Pilot Processing Cucumber Crop Insurance Program was initiated beginning with the 2000 crop year in select counties in Michigan, North Carolina, Texas, and South Carolina. The insurance plan is a fixed dollar plan that provides protection against declining crop value due to damage that causes yield and/or quality losses. The amount of insurance is based upon the cost of growing processing cucumbers in each area as determined by university cost of production budgets, and is published in the county actuarial documents. A loss can occur when an insured's annual value for the processing cucumber crop is less than the amount of insurance selected by the insured. The pilot program is scheduled to be evaluated in the 2003 crop year. **Board approval of program continuation is requested through the 2004 crop year.**

STRAWBERRIES:

The Pilot Strawberry Crop Insurance Program was developed as a fixed dollar plan and implemented by RMA effective beginning with the 2000 crop year. The pilot program covers strawberries (fresh and processing) grown as annuals by experienced growers using appropriate cultural practices such as fumigation, rotation, and mulch. The pilot program is available in selected counties in California, Florida, Louisiana, and North Carolina. It is estimated that 17,300 acres (33 percent of the national acreage) of strawberries are grown in the pilot program counties. The pilot program is scheduled to be evaluated in the 2003 crop year. **Board approval of program continuation is requested through the 2004 crop year.**

WINTER SQUASH:

The Pilot Winter Squash Crop Insurance Program was initiated beginning with the 1999 crop year for the following States and counties; Connecticut: Hartford; Massachusetts: Berkshire, Bristol, Franklin, Hampden, and Hampshire; New Jersey: Atlantic, Cumberland, Gloucester, and Salem; New York: Monroe and Orleans.

The insurance plan for winter squash is a dollar plan based on the costs of production. Cooperative State Research, Education and Extension Service and university cost of production budgets are used to establish the insurance guarantee.

Pumpkins were added as an insurable type to provide coverage for pumpkin producers in Colbert and Jackson Counties, Alabama; Orange and Suffolk Counties, New York; and Bucks and Lancaster Counties, Pennsylvania beginning with the 2000 crop year.

Modifications to the pilot program crop provisions were recommended for the 2000 crop year to clarify policy definitions. ARPA restricted RMA’s ability to implement these changes. An evaluation of the pilot program is scheduled for 2002 and will address the recommended changes. **Board approval of program continuation is requested through the 2004 crop year.**

PILOT PROGRAMS TO BE CONTINUED THROUGH THE 2005 CROP YEAR:

APPLE QUALITY OPTION:

The Apple Crop Insurance Pilot Quality Option (APQO) was developed as an option that attaches to the MPCI Apple Crop Insurance Provisions (01-054) and was initialed beginning with the 2001 crop year. It is available in all counties where apple crop insurance is offered in the States of California, Michigan, New York, Pennsylvania, Virginia, and Washington. The APQO provides quality coverage for U.S. Fancy grade or better apples and values such apples at higher prices. The pilot States represent approximately 77 percent of the United States apple acreage and 86 percent of the value of all United States apple production. **Board approval of program continuation is requested through the 2005 crop year.**

CALIFORNIA AVOCADO (REVENUE):

The Pilot California Avocado Revenue Program was initiated beginning with the 1998 crop year for Ventura County, California. The pilot was expanded to the California Counties of Orange, Riverside, San Diego, San Luis Obispo, and Santa Barbara in 2001. This pilot program provides protection against loss of Avocado revenue and uses the Avocado revenue plan of insurance. This pilot program provides insurance protection against adverse weather conditions, fire, earthquake, volcanic eruption, and failure of the irrigation water supply. The sales closing date is November 30. The pilot program is scheduled to be evaluated during 2002. **Board approval of program continuation is requested through the 2005 crop year.**

CITRUS (DOLLAR):

The Pilot Dollar Citrus Crop Insurance Program was established effective with the 2001 crop year for navel oranges grown in Fresno, Kern, Madera, and Tulare counties in California. The insurance plan is a fixed-dollar plan and provides protection against declining value due to damage that causes a yield or price shortfall. The amount of insurance is based on the cost of growing citrus in the area. A loss can occur when the annual value of the citrus crop is less than the amount of insurance. Annual value is the on-tree value of marketable production. The maximum dollar amount of insurance is listed in the actuarial documents. The program experienced a significant increase in participation from the 2001 crop year to the 2002 crop year. **Board approval of program continuation is requested through the 2005 crop year.**

B - AUTHORIZATION

I. General

Authority to offer pilot crop insurance programs is contained in section 523 of the Federal Crop Insurance Act.

II. Program Description

The authority provided by this docket will enable FCIC to continue to offer specified crop insurance programs on a pilot basis for additional crop years, as indicated in the background data, for areas where each pilot program is currently offered. Continuing the pilot programs will allow the Risk Management Agency (RMA) to collect program experience necessary for any decision on whether to offer crop insurance for these crops on a permanent basis.

III. Operating Provisions

Detailed operating provisions for continuing these pilot programs will be issued by Risk Management Agency (RMA) authorized personnel.

IV. Administration

If approved by the Board, the continuation of these pilot programs will be carried out by RMA in accordance with the provisions of the Act. The programs will be reinsured and subsidized under the terms of the Standard Reinsurance Agreement (the Aquatic Crop Reinsurance Agreement for cultivated clams) with risk sharing to be designated in the appropriate funds under which the pilot programs were approved.

V. Effective Date

This docket will become effective upon signature by the Chairperson 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-Pilots-Various-02-1, Exhibit No. 2096, authorizing the Federal Crop Insurance Corporation to continue to offer specified pilot insurance programs for additional years, as indicated in the background data, for areas where each pilot program is currently offered, is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final pilot program procedural requirements.

Adopted by the Board of Directors on: April 11, 2002

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

[SEAL]

Approved by:

/s/ Keith Collins	04/11/02
Keith Collins Chairman of the Board	Date