

**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 April 6, 2004, in room 104-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend the Open Session portions of the meeting.

Meeting
April 6, 2004

The meeting was called to order at 3:25 p.m., in Open Session.

Call to Order
Open Session

Present were Keith Collins, Chief Economist, USDA and Chairperson; Susan Fitzsimmons, John Askew, and Frank Jones, constituting a statutory quorum; Ross Davidson, Manager, FCIC; David Hatch, Deputy Manager, FCIC; and Byron Anderson, Secretary, Vondie O'Conner, Deputy Secretary.

Present

Also present were Floyd Gaibler, Jim Butler, Butch May, Farm and Foreign Agricultural Services (FFAS); David Grahn and Don Brittenham, Office of the General Counsel (OGC); Jim Callan, Alan Ott, Tim Witt, Tim Hoffmann, Bill Bing, Brent Doane, George Harris, Shirley Pugh, Leiann Nelson, Eric Henry, Cindy Spoor, and Reagan Weber of the Risk Management Agency (RMA); DaNina Murray, USDA Congressional Affairs, Bruce Babcock representing American Farm Bureau Insurance Services, Inc. (AFBIS); Sarah Tyree (AgriLogic), David Bossman, Pete Griffin, Barbara Leach and Frank Schaefer (Applied Analytics), Jane Shay (CIRB), Linda Vickers (Wells Fargo), Elizabeth Haws (AACI) and Stephen Freichs (Rain and Hail).

FCIC Manager Davidson read the Manager's Report. No action was taken on this report. (Board Memorandum No. 745; Exhibit No. 2724).

Manager's Report

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

Recitation

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 February 27, 2004.

Dispense with
Reading – Minutes
Accepted

The motion carried. (Exhibit No. 2723)

Approved –

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

Livestock Risk
Protection (LRP)
Program

WHEREAS to provide the maximum possible continuity of livestock price risk protection to producers while effectuating the changes necessary to ensure actuarial, underwriting, and program integrity of the Livestock Risk Protection product, the following resolutions are hereby approved:

RESOLVED, that Docket No. CI-LRP-EVAL-04-01, authorizes the Federal Crop Insurance Corporation to withdraw reinsurance of the Livestock Risk Protection (LRP) Pilot Plan of Insurance pursuant to 7 C.F.R. section 400.709(b) effective as of the date of this resolution.

RESOLVED, that Docket No. CI-LRP-EVAL-04-01, authorizes the Federal Crop Insurance Corporation to offer reinsurance for the LRP Pilot Plan of Insurance, pursuant to sections 508(h) and 523(b) of the Federal Crop Insurance Act, if the following conditions are met: (1) proposing that sales be allowed from the time starting after validation of prices and rates and ending on the following day at 9:00 AM central time; (2) procedures for long-term suspension and resumption of sales in cases of catastrophic events or highly volatile futures market prices; (3) addition of a new daily limit of premium (set at the Manager of the Corporation's discretion, but starting at \$1 million for 2005); (4) provide language to suspend sales for any endorsement period that involves rating based on a futures contract that is up or down the limit allowed by the CME, as approved by RMA; and (5) other revisions to the policy necessary to implement the changes described herein.

The Board voted unanimously to adopt the resolution.

Approved

A motion was made and seconded to adopt the following resolution

Livestock Gross
Margin (LGM)
Program

WHEREAS to provide the maximum possible continuity of livestock price risk protection to producers while effectuating the changes necessary to ensure actuarial, underwriting, and program integrity of the Livestock Gross Margin product, the following resolutions are hereby approved:

RESOLVED, that Docket No. CI-LGM-SWINE-04-01, authorizes the Federal Crop Insurance Corporation to withdraw reinsurance

