

**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 May 6, 2004, in room 5066 of the South Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend the Open Session portions of the meeting.

Meeting
May 6, 2004

The meeting was called to order at 10:06 a.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; JB Penn, Undersecretary (FFAS), Ross Davidson, Manager, FCIC; and Byron Anderson, Secretary, Vondie O'Conner, Deputy Secretary.

Present

Also present were Floyd Gaibler, Butch May, Farm and Foreign Agricultural Services (FFAS); Kim Arrigo, Office of the General Counsel (OGC); Jim Callan, Alan Ott, Tim Hoffmann, Bill Bing, Brent Doane, Shirley Pugh, Cindy Spoor, George Harris and Reagan Weber of the Risk Management Agency (RMA); James Driscoll, Watts & Associates; Dr. Samuel M. Fassells and Daniel W. Crandall, General Fire & Casualty Co.; Mark A. Wogsland, Cattleguard; Sarah Tyree, AgriLogic Inc.; Barbara Leach, Applied Analytics; Stephen Freichs, Rain and Hail LLC; Russell Redding, Pennsylvania Department of Agriculture; Jon Newkirk, Washington State University; Jack Silzel, Congressman Nethercutt's office; Bill Ufer, Virginia Farm Bureau; Roy Mulera, Rural Community Insurance Services; Evan Schatz, Congressman Rick Larsen's office.

The Manager's Report prepared by FCIC Manager Davidson was submitted for the record. No action was taken on this report. (Board Memorandum No. 747; Exhibit No. 2728.)

Manager's Report

Kim Arrigo 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 April 6, 2004.

Dispense with
Reading – Minutes
Accepted

The motion carried. (Exhibit No. 2727)

Approved –

Chairman Collins announced that two proposed action items on the agenda had been withdrawn; the Farmer-owned Ethanol Protection proposal and the Cattleguard proposal.

Agenda Items
Withdrawn

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

Silage Sorghum
Pilot

RESOLVED, that Docket No. CI-Silage Sorghum Pilot -04 -03, (Exhibit No. 2729), authorizing implementation of the Silage Sorghum Pilot plan of insurance with the following changes: (1) the coverage level is limited to 75 percent; (2) the price election is limited to 80 percent of the price election for corn silage; and (3) the policy should specify that grazing varieties are not insurable, with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager beginning with the 2005 crop year and continuing through the 2008 crop year as authorized under sections 508 and 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.

The Board voted unanimously to adopt the resolution.

Approved –

A motion was made and seconded to adopt the following resolution

AGR-Lite
AK, ID, OR & WA

RESOLVED, that Docket No. CI-AGR-Lite-04-01 (Exhibit No. 2731), authorizing the expansion of the Adjusted Gross Revenue-Lite (AGR-Lite) Plan of Insurance to all counties in Alaska, Idaho, Oregon, and Washington, provided that actuarially appropriate premium rates, as approved by the Manager of the Federal Crop Insurance Corporation (FCIC), are provided by the Pennsylvania Department of Agriculture and the Washington State University Extension Western Center for Risk Management Education, beginning with the 2005 crop year, as authorized under section 508(h) of the Federal Crop Insurance Act, is hereby approved.

The Board voted unanimously to adopt the resolution

Approved –

A motion was made and seconded to adopt the following resolution

AGR-Lite
North Carolina

RESOLVED, that Docket No. CI-AGR-Lite-04-02 (Exhibit No. 2732), authorizing the expansion of the Adjusted Gross Revenue-Lite (AGR-Lite) Plan of Insurance to all counties in North Carolina, provided that actuarially appropriate premium rates as approved by the Manager of the

