

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 January 13, 2005, in Room 104-A of the Jamie L. Whitten Federal Office Building, Jefferson Drive, Washington, D.C. The public was invited to attend the Open Session portions of the meeting.

Meeting  
January 13, 2005

The meeting was called to order at 10:50 a.m. in Open Session

Call to Order  
Open Session  
Recitation

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

The Chairman then called for an Executive Session of the Board.

Executive Session

The Open Session of the Board reconvened at 1:13 p.m. The Chairman then requested Board members and guests to introduce themselves.

Present were Keith Collins, Chief Economist, USDA and Chairperson; J.B. Penn, Undersecretary (Farm and Foreign Agricultural Services (FFAS)), John Askew, Bill Classen, Tim Kelleher, Frank Jones, Mike Pickens, and Luis Monterde, constituting a statutory quorum; Ross Davidson, Manager, FCIC; Byron Anderson, Secretary, and Vondie O'Conner, Deputy Secretary.

Present

Also present were Floyd Gaibler, Butch May, and Beth Bechdol, FFAS; David Grahn, Kim Arrigo, Don Brittenham, Office of the General Counsel (OGC); Tim Witt, Tim Hoffmann, Eric Henry, Tom Worth, Bob Vollmert, Eric Edgington, Jim Callan, Brent Doane, Allan Ott, Dale Miller, George Harris, and Cindy Spoor, Risk Management Agency (RMA); Barbara Leach, Peter Griffin, and David Bossman, Applied Analytics Group; David Graves, American Association of Crop Insurers; Margaret Hinson, Paul Rodgers, and Dominique Minaberrigarai, American Sheep Industry; Ken Ackerman (counsel), ARMtech; Wayne Purcell and Deborah Marsh, Virginia Polytechnic Institute and State University; Jane Shey, Crop Insurance Research Bureau Inc.; Stephen Frerichs, Rain and Hail, LLC; Tim Watts and James Driscoll, Watts and Associates, Sarah Tyree, Agrilogic Inc.; Tarun Sharma, and B.R. Mulik, Export-Import Bank of India; Ray Mulera, Rural Community Insurance Services; and Tim Wood, staff of Congressman Bill Thomas.

The Chairman announced that the format of this meeting's Minutes would be expanded to provide more detail of Board discussions. Beginning with this meeting, FCIC Board meetings would be tape recorded with the intention of posting it on the RMA website.

Chairman's  
Comments

The Manager's Report prepared by FCIC Manager Davidson was submitted for the record. No action was taken on this report. (Board Memorandum No. 790; Exhibit No. 2778)

Manager's Report

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 November 19, 2004.

Dispense with  
Reading – Minutes

The motion carried. (Exhibit No. 2773)

Accepted

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

Motion to Table  
Livestock Risk  
Protection Lamb

RESOLVED, that Docket No. CI-LRP Lamb - 05-01, Exhibit No. 2774, authorizing implementation of the Livestock Risk Protection Lamb Endorsement is hereby TABLED; AND IT IS FURTHER RESOLVED, that the American Sheep Industry Association (ASIA) and Applied Analytics Group (AAG) will provide modifications to the Risk Management Agency (RMA) within 45 days of the date this Docket was tabled; RMA will have 45 days to review and analyze the modifications after the date of receipt of such modifications; and the Docket will again be presented to the Board at the next Board meeting subsequent to the date that RMA completes its review.

The Board voted unanimously to adopt the resolution.

Approved

Bob Vollmert (RMA, Kansas City) provided the FCIC Board with a presentation on the Hawaii Tropical Fruit Pilot Program. RMA staff announced that some work order modifications were identified and those modifications were incorporated into the statement of work.

Hawaii Tropical  
Fruit Pilot Program

With regard to expert review of the Hawaii Tropical Fruit Pilot Program, Docket: CI- Hawaii Tropical Fruit Pilot Program -05-01, a motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT

RESOLVED: That: 1) the Manager of the Corporation be authorized to

take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the Hawaii Tropical Fruit Pilot Program prior to Board action; and 2) the attached task order statement of work as modified to reflect concerns of the Board be used to execute the contracts.

The Board voted unanimously to adopt the resolution.

Approved

Bob Vollmert then provided the FCIC Board with a presentation on the Hawaii Tropical Tree Pilot Program. Mr. Vollmert answered questions from Board members on the value of tree replacement and the potential for business interruption caused by tree losses. RMA staff announced that some work order modifications were identified and those modifications were incorporated into the statement of work.

Hawaii Tropical  
Tree Pilot Program

With regard to expert review of the Hawaii Tropical Tree Pilot Program, Docket: CI- Hawaii Tropical Tree Pilot Program -05-01, a motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT

RESOLVED: That: 1) the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the Hawaii Tropical Tree Pilot Programs prior to Board action; and 2) the attached task order statement of work as modified to reflect concerns of the Board be used to execute the contracts.

The Board voted unanimously to adopt the resolution.

Approved

Tim Hoffman (RMA Kansas City) made a presentation on a Long Term Revenue Pilot Program for Dry Peas and Lentils. Because of the complexity of this proposed pilot program, the Board directed that six expert reviewers be utilized.

Long Term  
Revenue Pilot Dry  
Peas and Lentils

With regard to expert review of the Dry Pea and Lentil Long Term Revenue Pilot Program-05-01, a motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance Act (Act) requires the Board to

enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT

RESOLVED: That: 1) the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the Dry Pea and Lentil Long Term Revenue Pilot Program prior to Board action; and 2) the attached task order statement of work as modified to reflect concerns of the Board be used to execute the contracts.

The Board voted unanimously to adopt the resolution.

Approved

Tim Hoffman made a presentation to the Board on a proposed expansion of the Group Risk Income Protection – Harvest Revenue Option for Grain Sorghum. Board member Frank Jones asked whether this product could be made available to the Coastal Bend area of Texas this year. Mr. Hoffmann said that it was their intention to make it available nationwide in the near future. Mr. Hoffman then read the FCIC Board Guidelines for determining the appropriateness of submitting products to expert review. He stated that this product expansion did not need to be submitted to expert review because it was an existing product and all of the conditions contained in the guidelines were being satisfied.

GRIP- Harvest Revenue Option for Grain Sorghum

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

RESOLVED, That Docket No. CI – Expansion of Group Risk Income Protection - Harvest Revenue Option (GRIP-HRO) 05-01, Exhibit No. 2777, authorizing implementation of the Group Risk Income Protection-Harvest Revenue Option (GRIP-HRO) expansion to all crops, states, and counties that are currently approved for the Group Risk Income Protection (GRIP) plan of insurance for the 2005 and subsequent crop years, and to any additional crops, states, and counties where GRIP may be offered in the future, 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

There being no further business to come before the Board, the meeting adjourned at 1:50 p.m. to meet again on February 23, 2005 in Washington, D.C.

Adjourn

January 13, 2005

*/signed/*

Byron Anderson, Secretary  
Federal Crop Insurance Corporation