

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 June 25, 2008, 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  
June 25, 2008

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

Call to Order  
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 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 (FCIA).

Executive Session

The open session of the Board reconvened at 11:30 a.m.

Reconvene Open  
Session

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA and Chairperson; Mark Keenum, Under Secretary Farm and Foreign Agricultural Services (FFAS), Bill Classen, Tim Kelleher, Mike Pickens, Curt Sindergard, and Frank Jones Jr., constituting a statutory quorum; and Eldon Gould, Manager, James Callan, Deputy Manager and Cindy Spoor, Interim Secretary, FCIC.

Present

Also present were Floyd Gaibler, Deputy Under Secretary, and Butch May, FFAS; David Grahn and Kim Arrigo, Office of the General Counsel (OGC); Vondie O'Conner, Tim Hoffmann, Tim Witt, Tom Worth, Margo Erny, Velerie Eddleman (phone), Bridger Roy, Andrew Brandt, Alan Ott, Tom Worth, Kent Lanclos and Ron Lundine of RMA; Ken Ackerman, Olsen, Frank and Weeda; Stephen Frerichs, Rain and Hail; David Graves, American Association of Crop Insurers; Rob Cerda, Crop Insurance Systems and Tom Sell, Crop Insurance Professionals Agency.

Chairman Glauber asked Eldon Gould for the Manager's Report

Manager's Report

(the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)). Mr. Gould's specific comments included reporting that RMA is: working to implement farm bill provisions, including the modernization of RMA's IT systems; educating producers in prevented planting options; and extending the acreage reporting date to assist producers who have been affected by wet conditions.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 2943)

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 24, 2008.

The motion carried. (Exhibit 2944)

Chairman Glauber then reported that Docket No. CI- Confidential Submission 0006 6-25-08-01 had been tabled. He then called on David Grahn who reported that the submitter had agreed to table the submission in order for RMA to provide to the submitter within 30 days a list of issues to be addressed. The submitter agreed to work with RMA to address the list and provide to RMA responses and documentation in their submission.

The Chair then stated that Docket No. CI- Confidential Submission 0007 6-25-08-01 was withdrawn.

The next agenda item was Docket No. CI – Confidential Submission 0003 Puerto Rico Banana and Plantain 6-25-08-02.

The Chair offered a resolution that was seconded for adoption:

RESOLVED, that pursuant to the information contained in Docket No. Confidential Submission 0003 Puerto Rico Banana and Plantain 6-25-08-02, Exhibit No. 2947, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Plantain and Banana Crop plan of insurance beginning with the 2009 reinsurance year in Puerto Rico, 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, 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 to approve the resolution. (Exhibit 2947)

Dispense with Reading – Minutes

Approved

Confidential Submission 0006

Confidential Submission 0007

Puerto Rico Banana and Plantain

Approved

The Board next considered Docket No. CI- GRP Rangeland New Index Pilot Crop Insurance Program – 08-01.

GRP Rangeland Pilot Program

Ron Lundine (RMA) reported that the GRP Rangeland New Index Pilot Program that replaced the GRP Rangeland Pilot Program beginning with the 2005 crop year was evaluated in 2008. It was determined that the Net Hay Production Index mechanism in the program resulted in variable treatment of producers across counties because the index does not consistently represent actual rangeland forage conditions. Payments to producers were also found to be inconsistent within county rangeland forage conditions.

Chairman Glauber offered the following resolution which was seconded for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI- GRP Rangeland New Index Pilot Crop Insurance Program – 08-01, Exhibit No. 2948, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves the continuation of the GRP Rangeland New Index Pilot Crop Insurance Program, in the state of Montana, on a pilot basis until the Office of Management and Budget determines that the Department of Agriculture has sufficient funds to satisfy the pay-go requirements for implementation of the Pasture, Forage, Rangeland Rainfall Index plan of insurance, with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(c) and 523(a)(4)(b) 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 to approve the resolution. (Exhibit 2948)

Approved

The next action item before the Board was Docket No. CI- Docket No. CI- Silage Sorghum Pilot Program- 08-01. Chairman Glauber called upon Tim Hoffman of RMA to brief the Board regarding the Pilot Program.

Silage Sorghum Pilot Program

Tim Hoffman stated that the Sorghum Silage Pilot Program was approved by the Board for 2005-2008. In 2007, significant revisions were made to the program by RMA under the direction of the Board. An evaluation of the pilot was completed in 2008, which suggested either termination or continuation with modifications.

The Chairman offered the following resolution for a roll call vote which was seconded for adoption:

