

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 March 12, 2009, 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  
March 12, 2009

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 and advised each member to act accordingly.

Recitation

The Board then immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of private products under the Federal Crop Insurance Act (FCIA).

Executive Session

The open session of the Board reconvened at 12:45 p.m.

Reconvene Open  
Session

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA and Chairperson; Mike Pickens ( phone), Curt Sindergard, Luis Monterde, James Nickel, Susan Rogers and Frank Jones Jr., constituting a statutory quorum; and Bill Murphy, Acting Manager, Tim Witt, Acting Deputy Manager and Cindy Spoor, Secretary, FCIC.

Present

Also present were; David Grahn and Kim Arrigo, Office of the General Counsel (OGC); Tim Hoffmann, Ron Lundine, Kimberly Morris, Terri Lagarde, Terri Guzman, Margo Erny, Velerie Eddleman (phone), Matt Kamphoefner, and Mary Alonzo of RMA; Ken Ackerman, Olsen, Frank and Weeda; Stephen Frerichs, Rain and Hail; Craig Landgren and Alex Offerdahl, Watts and Associates; David Bossman and Clifton Parker, AGWIN; Paul Bleiberg, Michael Torrey Associates; Steve Verztl and Shawn Wade, Plains Cotton Growers Inc.; Tom Sell, CIPA, Eldon Gould (phone), Gould Farms; Brad Davis(phone), MSI/Guaranteed Weather, and Keith Coble, Mississippi State University.

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)). Mr.

Manager's Report

Murphy reported that RMA is monitoring two situations in particular for weather conditions that may affect producers in those areas. The North Red River Valley has received above normal precipitation and snow and the North Central River Forecast Center expects a 50 to 75 percent chance of major flooding this spring. Regions in California are experiencing the third year of drought conditions. RMA is working with the insurance providers and the state government to coordinate response to producer's crop insurance needs.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 2980)

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 January 7, 2009.

Dispense with Reading – Minutes

The motion carried. (Exhibit 2981)

Approved

The next agenda item was Docket No. CI-Confidential Submission 0008 03-12-09 01, Exhibit 2985. The Chair indicated that the submitter and the Board had agreed to extend the deadline by which the Board must vote in order to allow the submitter to work out with RMA issues raised in Executive Session.

Private Submission 0008

The next item before the Board was Docket No. CI-Confidential Submission 0012 03-12-09 01, Exhibit 2982. Due to the proprietary nature of this submission, no presentations were made in the public session of the meeting nor were the names of the product or submitter mentioned.

Private Submission 0012

The Chairman offered the following resolution which was seconded:

WHEREAS, Section 505(e) of 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 pursuant to the information contained in Docket No. CI-Confidential Submission 0012 03-12-09, Exhibit 2982, the Board approves expert review for the Confidential Submission 0012 and directs 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 Confidential Submission 0012 prior to Board action; and 2) the attached task order statement of work be used to execute the

contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 2982)

Approved

Docket No. CI-Confidential Submission 0013 03-12-09 01, Exhibit 2984 was the next action item before the Board. Chairman Glauber reported that the submitters and the Board had reached an agreement to extend the deadline by which the Board must vote to allow the submitters to address the issues raised in Executive Session.

Private  
Submission 0013

Docket No. CI- Livestock Gross Margin Modification 09-01, Exhibit 2983, was brought to the floor by the Chair.

Livestock Gross  
Margin 508(h)

The Chair offered the following resolution which was seconded:

RESOLVED, that Docket No. CI- Livestock Gross Margin Modification 09-01, Exhibit No. 2983, authorizing the non-significant modifications of the Livestock Gross Margin plans of insurance is hereby approved as amended in executive session to remove the change with respect to premium payment and to add additional states beginning with the 2010 insurance year, as approved by the Manager of the Federal Crop Insurance Corporation, as authorized under section 508(h) of the Federal Crop Insurance Act, AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to implement the changes described herein and to make the policy legally sufficient.

Chairman Glauber noted that the resolution would expand the Livestock Gross Margin plans of insurance to the states of Tennessee, Kentucky, New Mexico and Washington.

There being no further discussion the Board voted to approve the resolution. (Exhibit 2983)

Approved

Docket No. CI – Actual Revenue History Strawberry Pilot Crop Insurance Program 09-01, Exhibit 2986 was then brought before the Board.

ARH Strawberry  
Pilot Program

Matt Kamphoefner of RMA was called upon to present to the Board information on the Actual Revenue History (ARH) Strawberry Pilot Crop Insurance Program. He noted that in April of 2005 the Board extended the Strawberry Dollar Plan of Insurance and instructed RMA to evaluate alternate plans that would better serve producers. RMA, through a contract, identified an ARH plan of insurance that could better suit strawberry producers and would be based on their historical revenue records and offer protection for yield, price, and quality-based losses.

The following resolution was offered by the Chair after the presentation:

WHEREAS, Section 505(e) of 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 pursuant to the information contained in Docket No. CI – Actual Revenue History Strawberry Pilot Crop Insurance Program 09-01, Exhibit 2986, the Board approves expert review for the proposed Actual Revenue History Strawberry Plan of Insurance and directs 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 proposed Actual Revenue History Strawberry Plan of Insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

Chairman Glauber noted that, last year, the approval for the Strawberry Dollar Plan of Insurance was allowed to expire by the Board with the knowledge that a revenue product was in the development phase. The ARH Strawberry Pilot Plan of insurance was one of the results of the developed revenue type products.

There being no further discussion the Board voted to approve the resolution. (Exhibit 2986)

Approved

The next item before the Board was Docket No. CI- Farm Raised Catfish Pilot Crop Insurance Program and Farm Raised Trout Pilot Crop Insurance Program 09-01, Exhibit 2987.

Farm Raised  
Catfish and Trout  
Pilot Programs

Dr. Glauber called upon Mary Alonzo of RMA to comment on the action item. She stated that the Farm Raised Catfish and Trout Pilot Crop Insurance Programs were the result of a collaborative effort to evaluate and develop crop insurance programs suited to aquaculture. Mississippi State University became a partner organization that collaborated with individuals and organizations to collect information to develop new risk management tools for the aquaculture industry. Ms. Alonzo added that because of issues raised by the expert reviewers and RMA that RMA was withdrawing the programs from consideration but would continue to build upon the research, through additional contract research and to provide the information already established.

