

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 September 16, 2009, in Room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting  
September 16,  
2009

The meeting was called to order at 8:30 a.m. in open session.

Call to Order  
Open Session

Kim Arrigo 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.

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 3:30 p.m.

Reconvene Open  
Session

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

Present

Also present were Kim Arrigo and Alicia Peden, Office of the General Counsel (OGC); Tim Hoffman, Tom Worth, Kent Lanclos, Bill Bing, Matt Kamphoefner, Mary Alonzo, Virgil Ireland, Matt Kamphoefner, and Ron Lundine of RMA; Jason Schikendanz (phone), AgForce; Jeff Smith, Wells Fargo Ins; David Bossman; Don Armstrong, Lewayne Jansonius and Rob Cerda, Crop Insurance Services; Ken Ackerman, Olsen, Frank and Weeda; Clarence Manning Mike O'Connell and Clif Parks, Agrilogic; Ray Prewitt, Texas Citrus Mutual; Barry Goodwin, Nick Piggott and Michelle Marra, Agri-Analytics; Wade Shuler, Heartland Crop Ins.; John Anderson and Mike Padrist, Monsanto; and Ben Kaehler, Dow AgroSciences.

Chairman Glauber asked Bill Murphy, FCIC Manager for the Manager's Report (the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)). Mr. Murphy noted that RMA has established a New Breaking Land Workgroup to review the policy, procedures, rating and guarantee establishment for land that has not been planted and harvested or insured in at least one of the three previous crop years. He also stated that the proposed grain sorghum rating methodology was open for public comment until September 22, 2009 as published in the Federal Register. He further commented that RMA has solicited proposals for an evaluation/feasibility study of the Personal T-Yield (PTY) pilot program currently available in North Dakota.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 3031)

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 July 30, 2009.

Dispense with Reading – Minutes

The motion carried. (Exhibit 3032)

Approved

Next, the Board took up Docket No. CI Reimbursement Request – Apiculture - 09-16-09 03. Due to the proprietary nature of this submission under section 508(h) of the FCIA, no presentations were made in the public session of the meeting.

Reimbursement Request – Apiculture Pilot Program

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Apiculture - 09-16-09 03, Exhibit 3044, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of first year maintenance costs in the amount of \$193,254.92 for the Apiculture program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3044)

Approved

The Board then considered Docket No. CI - Reimbursement Request – Cottonseed Pilot Endorsement (CPE) 09-16-09 03.

Reimbursement Request – Cottonseed Pilot Endorsement

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI - Reimbursement Request – Cottonseed Pilot Endorsement (CPE) 09-16-09 03, Exhibit 3037, as well as other material that were submitted to the Board on this matter, the Board hereby

approves reimbursement of research and development costs in the amount of \$155,540.67 for the Cottonseed Pilot Endorsement as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3037)

Approved

The Board next considered Docket No. CI Reimbursement Request–Tobacco Quality-Price (TQP) 09-16-09 03.

Reimbursement  
Request –  
Tobacco Quality-  
Price

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request–Tobacco Quality-Price (TQP) 09-16-09 03, Exhibit 3036, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of research and development costs in the amount of \$689,119 for the TQP program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3036)

Approved

Chairman Glauber brought to the floor Docket No. CI Reimbursement Request – Group Risk Plan (GRP)-Sugarcane - 09-16-09 01.

Reimbursement  
Request – Group  
Risk Plan (GRP)-  
Sugarcane

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Group Risk Plan (GRP)-Sugarcane - 09-16-09 01, Exhibit 3033, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of first year maintenance costs in the amount of \$25,315 for the GRP-Sugarcane program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3033)

Approved

The Board then considered Docket No. CI Reimbursement Request – Fresh Market Bean (FMB) 09-16-09 02.

Reimbursement  
Request – Fresh  
Market Bean

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Fresh Market Bean (FMB) 09-16-09 02, Exhibit 3035, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of research and development costs in the amount

of \$297,172 for the Fresh Market Bean plan of insurance as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3035)

Approved

The Board next considered Docket No. CI Reimbursement Request – Group Risk Plan for Oysters - 09-16-09 01.

Reimbursement Request – Group Risk Plan for Oysters

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Group Risk Plan for Oysters - 09-16-09 01, Exhibit 3034, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of research and development costs in the amount of \$624,454 for the GRP-Oysters program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3034)

Approved

Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 107 09-16-09 01 was the next item on the agenda.

Concept Proposal 107

The Chair offered the following resolution, which was seconded, for adoption:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 107 09-16-09 01, Exhibit 3038, the Board approves expert review for the Confidential Submission Section 522(b) Concept Proposal 107 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 Section 522(b) Concept Proposal 107 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The Board voted to approve the resolution. (Exhibit 3038)

Approved

Docket No. CI-Confidential Submission 0013 09-16-09 02 was brought before the Board.

Confidential Submission 0013

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

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0013 09-16-09 02, Exhibit 3040, as well as other material that were submitted to the Board on this matter, the Board hereby approves under section 523(d) of the Federal Crop Insurance Act, the addition of the requested stack-traited variety to be added to the Biotechnology Endorsement under the same terms and conditions as currently available, beginning with the 2010 crop year with reinsurance, producer subsidy 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. 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 (Curt Sindergard recused himself). (Exhibit 3040)

Approved

Confidential Submission 0013 refers to an additional technology, SmartStax™, as a qualifying hybrid for the Pilot Biotechnology Endorsement (BE) program. SmartStax™ is a multi-event technology developed by the Monsanto Company and Dow AgroSciences LLC and submitted by XL Reinsurance America, Inc and the Monsanto Company.

The Board then considered Docket No. CI-Confidential Submission 0015 09-16-09 01.

Confidential  
Submission 0015

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

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission 0015 09-16-09 01, Exhibit 3041, as well as other material that were submitted to the Board on this matter, the Board hereby approves, under section 523(d) of the Federal Crop Insurance Act, Confidential Submission 0015 beginning with the 2010 crop year with reinsurance, producer subsidy 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. 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 technically and legally sufficient.

The Board voted to approve the resolution (Curt Sindergard recused himself). (Exhibit 3041)

Approved

Confidential Submission 0015 refers to the expansion of the pilot area to include irrigated and non-irrigated corn for grain planted to certain technologies in the state of Colorado and the inclusion of irrigated corn for grain planted to certain technologies in all Pilot BE states submitted by XL Reinsurance America, Inc and the Monsanto Company.

Docket No. CI – Actual Revenue History (ARH) Strawberry Pilot Crop Insurance Program - 09 – 02 was brought before the Board.

ARH Strawberry Pilot Program

Matt Kamphoefner gave a presentation regarding the proposed ARH Strawberry Pilot Program. He noted that this pilot program would increase the portfolio of risk management solutions available to specialty crop producers, target the intensive commercial strawberry growing region in California and test the ARH concept for a crop with multiple harvests.

Chair Glauber offered the following resolution which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI – Actual Revenue History (ARH) Strawberry Pilot Crop Insurance Program - 09 - 02, Exhibit 3042, as well as other material that were submitted to the Board on this matter, the ARH-Strawberry Pilot Program beginning with the 2011 crop year, with reinsurance, administrative and operating subsidy and producer subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 523 of the Federal Crop Insurance Act, is hereby approved contingent for funds for Pay-go offset becoming available. 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 3042)

Approved

The final item before the Board was Docket No. CI- Sweetpotato Pilot Crop Insurance Program – 09-01.

Sweetpotato Pilot Program

Ron Lundine of RMA reported that the Sweetpotato Pilot Program participation has steadily decreased since implementation in 2005 and based on available data, monitoring, and feedback the program does not appear to have widespread acceptance or meet the needs of sweetpotato producers.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI- Sweetpotato Pilot Crop Insurance Program – 09-01, Exhibit 3043, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board hereby terminates the Sweetpotato Pilot Crop Insurance Program beginning with the 2010 crop year.

The Board voted to approve the resolution. (Exhibit 3043)

Approved

There being no further business to come before the Board the meeting adjourned to meet again, November 19, 2009 in Washington, DC.

Adjourn

September 16, 2009                                          /signed/                      
Cindy Spoor, Secretary  
Federal Crop Insurance Corporation