

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 November 17-18, 2010, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
November 17-18,
2010

The meeting was called to order at 1:30 pm, November 17, 2010, in Room 6610 of the South Building, U.S. Department of Agriculture, Washington, DC, in open session.

Call to Order
Open Session

The Board 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 (Act). The executive session continued on August 12, 2010, in Room 108A of the Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

Executive Session

The open session of the Board reconvened on August 12, 2010, at 11:00 am in Room 108A of the Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

Reconvene 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 and advised each member to act accordingly.

Recitation

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA; Luis Monterde, Susan Rogers, James Nickel, Mike Pickens, Ellen Linderman, Maggie Goode, and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Kim Arrigo, Office of the General Counsel (OGC); Barbara Leach, Associate Administrator, Tim Witt, Tim Hoffmann, Mary Alonzo, Bill Bing, Thomas Worth and Kimberly Morris of RMA; Jacqueline Moore, NASS; Ken Ackerman, Olsen, Frank and Weeda; Tim Smith, Northharvest Bean; Alex Offerdahl, Watts and Associates; Stephan Frerichs, Rain and Hail; Frank Swain, Baker and Daniels and Robert Wilbur, Popcorn Institute.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4001)

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Murphy noted that the FCIC Board approved Actual Production History Sesame pilot policy and the Cottonseed Endorsement policy have been released for sale for the 2011 crop year. He further stated that RMA is working on an Interim Rule to implement a Performance Based Refund (PBR) for qualifying producers in accordance with section 508(d)(3) of the Act and continues to implement the Acreage Crop Reporting and Streamlining Initiative (ACRSI) by expanding the Comprehensive Information Management System (CIMS) that acts as a single, centralized storage repository of RMA and FSA producer and program information.

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 September 21-22, 2010.

Dispense with Reading – Minutes

The motion carried. (Exhibit 4002)

Approved

The next agenda item was Docket No. CI – Section 522(b) Concept Proposal 117 11-18-10 02.

Concept Proposal 117

Chairman Glauber offered the following resolution, which was seconded:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to consider paying an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed in to a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Section 522(b) Concept Proposal 117 11-18-10 02, Exhibit 4003, the Board approves the advance payment of \$163,778. By accepting the advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act to the Board in the October 2011 submission period.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the

submitter.

There being no discussion the Board voted to approve the resolution. (Exhibit 4003)

Approved

The next agenda item was Docket No. CI – Section 522(b) Concept Proposal 118 11-18-10 02.

Concept Proposal 118

Chairman Glauber then offered the following resolution, which was seconded:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) provides the Board with the authority to pay an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed in to a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Section 522(b) Concept Proposal 118 11-18-10 02, Exhibit 4004, the Board hereby approves the advance payment of \$74,717 for Concept Proposal 118, as authorized under section 522(b) of the Federal Crop Insurance Act.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitter. The submitter will be required to prove that all costs are necessary and reasonable.

By accepting the advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act to the Board in the July 2011 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4004)

Approved

Docket No. CI-Confidential Submission Section 508(h) Submission 0019 11-18-10 02 was the next action item before the Board.

Confidential Submission 0019

Chair Glauber offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI-Confidential Submission Section 508(h) Submission 0019 11-18-10 02, Exhibit 4005, as well as other

material that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0019, beginning with the first crop year the manager determines is practicable in Illinois, Indiana, Iowa, Nebraska, and Ohio 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. 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 4005)

Approved

Chairman Glauber noted that Confidential Submission 0019 is the first product submitted to the Board under the new procedures approved by the Board for the submission of a concept proposal as authorized under section 522(b) of the Act and section 12022 of the Food, Conservation, and Energy Act of 2008.

Confidential Submission 0019 refers to a Popcorn Revenue plan of insurance that was submitted by the Popcorn Institute and Watts and Associates, Inc.

Docket No. CI- Section 508(h) Confidential Submission 0021 11-18-10 01 was brought to the floor by Dr. Glauber.

Confidential
Submission 0021

Chair Glauber 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- Section 508(h) Confidential Submission 0021 11-18-10 01, Exhibit 4006, the Board approves expert review for Confidential Submission 0021 and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter in to 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 0021 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 4006)

Approved

The next agenda item was Docket No. CI-Section 508(h) Confidential Submission 0023 11-18-10 02, which the Chair noted was tabled as requested by the submitters.

Confidential
Submission 0023
Tabled

Docket No. CI- Silage Sorghum Pilot Program- 11-18-10 01 was the next action item brought before the Board.

Silage Sorghum
Pilot Program

Chairman Glauber offered the following resolution which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI- Silage Sorghum Pilot Program- 11-18-10 01, Exhibit No. 4008, as well as other related materials that may have been submitted to the Board for consideration on this matter, the Board hereby approves the continuation of the Silage Sorghum Pilot Program 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. This will allow the Risk Management Agency to effectively evaluate the pilot based on additional years of experience following program changes previously approved by the Board. 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 4008)

Approved

There being no further business to come before the Board the meeting adjourned to meet again February 15-17, 2011, in Washington, DC.

Adjourn

November 18, 2010

_____/signed/
Cindy Spoor, Secretary
Federal Crop Insurance Corporation