

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 August 11-12, 2010 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
August 11-12,
2010

The meeting was called to order at 12:30 pm, August 11, 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 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). The executive session continued on August 12, 2010 in Room 108 A of the Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

Executive Session

The open session of the Board reconvened at 1:30 pm in Room 108 A 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 (phone), 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, Pat Engel, Tim Witt, Kent Lanclos, Mary Alonzo, Matt Kamphoefner, Bill Bing, Leiann Nelson, Thomas Worth and Sara Buettner-Connelly of RMA; Ken Ackerman, Olsen, Frank and Weeda; Tim McGreevy, USA Dry Pea and Lentil; Alex Offerdahl, Watts and Associates; David Bossman, Agwin; David Graves, AACI, WPGA; Andy Bell and Kent Wannamaker, Pioneer; Bill Belzer; Reece Langley, USA

Rice and Luther Markwant and Ruthann Geib, ASGA; Bruce Babcock and Ben Latham, ProAg Ins.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 3076)

Manager's Report

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 RMA has implemented a major expansion of to the Vegetation Index (VI) and Rainfall Index (RI) Pasture, Rangeland and Forage pilot plans of insurance as approved by the Board on June 25, 2009, as funds became available due to savings established through the Standard Reinsurance Agreement negotiation. He also noted that the Farm Bill Report should be released in the next few weeks.

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 May 13, 2010.

Dispense with Reading – Minutes

The motion carried. (Exhibit 3077)

Approved

The next agenda item was Docket No. CI- Section 508(h) Confidential Submission 0019 08-12-10 01.

Confidential Submission 0019

Chairman 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 0019 08-12-10 01, Exhibit 3082, the Board approves expert review for Confidential Submission 0019 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 0019 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 3082)

Approved

The next agenda item was Docket No. CI – Section 522(b) Confidential Submission Concept Proposal 117 08-12-10 01.

Concept Proposal 117

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

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 – Section 522(b) Confidential Submission Concept Proposal 117 08-12-10 01, Exhibit 3079, the Board approves expert review for Concept Proposal 117 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 Concept Proposal 117 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 3079)

Approved

Docket No. CI – Section 522(b) Confidential Submission Concept Proposal 119 08-12-10 01 was brought to the floor by Chairman Glauber. He noted that the submitters had agreed to postpone a Board action on this item and therefore the item was tabled.

Concept Proposal 119

Tabled

Docket No. CI-Section 508(h) Confidential Submission 0023 08-12-10 01 was the next action item before the Board.

Confidential Submission 0023

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 0023 08-12-10 01, Exhibit 3085, the Board approves expert review for Confidential Submission 0023 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 0023 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 3085)

Approved

Docket No. CI – Section 522(b) Confidential Submission Concept Proposal 118 08-12-10 01 was brought to the floor by Dr. Glauber.

Concept Proposal
118

Chair Glauber offered the following resolution, which was seconded:

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 – Section 522(b) Confidential Submission Concept Proposal 118 08-12-10 01, Exhibit 3080, the Board approves expert review for Concept Proposal 118 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 Concept Proposal 118 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 3080)

Approved

The next agenda item was Docket No. CI – Section 522(b) Confidential Submission Concept Proposal 116 08-12-10 02.

Concept Proposal
116

Chairman Glauber 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) Confidential Submission Concept Proposal 116 08-12-10 02, Exhibit 3078, as modified by agreement between the submitter and the Board during executive session, the Board approves the advance payment of \$188,806 for the Concept Proposal 116, 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 January 2012 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 3078)

Approved

Docket No. CI-Livestock Gross Margin (LGM) Dairy Cattle Revisions 08-12-10 01 was the next action item brought before the Board.

LGM Dairy Cattle Revisions

Chairman Glauber offered the following resolution which was seconded:

RESOLVED, that Docket No. CI-Livestock Gross Margin (LGM) Dairy Cattle Revisions 08-12-10 01, Exhibit 3084, authorizing the non-significant modifications of the LGM Dairy Cattle Revisions plan of insurance is hereby approved beginning with the 2011 reinsurance 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 3084)

Approved

Chairman Glauber stated that Docket No. CI- Section 508(h) Confidential Submission 0020 08-12-10 01, at the request of the submitters, would be tabled to a future Board meeting.

Confidential
Submission 0020
Tabled

The Chair then brought Docket No. CI-Section 523(d) Confidential Submission 0022 08-12-10 01 before the Board.

Confidential
Submission 0022

Chairman Glauber offered the following resolution which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 523(d) Confidential Submission 0022 08-12-10 01, Exhibit 3086, 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 0022, beginning with the 2011 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 3086)

Approved

Docket No. CI-Section 523(d) Confidential Submission 0022 08-12-10 01 refers to Pioneer Hi-Bred International Inc. requesting approval for Optimum® AcreMax™ 1 products to be eligible hybrids under the Pilot Biotechnology Endorsement.

Docket No. CI – Actual Revenue History (ARH) Sugar Beet Pilot Crop Insurance Program 08-12-10 02 was the next item before the Board.

ARH Sugar Beet
Pilot Program

Chairman Glauber offered the following resolution which was seconded:

