

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 21-22, 2010, in Room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting  
September 21-22,  
2010

The meeting was called to order at 4:00 pm on September 21, 2010 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.

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 1:00 pm on September 22, 2010.

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, Ellen Linderman, Luis Monterde, and Maggie Goode, constituting a statutory quorum; and Bill Murphy, Manager, and Cindy Spoor, Secretary, FCIC.

Present

Also present were Michael Scuse, Deputy Under Secretary, Farm and Foreign Agricultural Service; Kim Arrigo (telephone), Alicia Peden and John Vos, David Grahn, Office of the General Counsel (OGC); Barbara Leach, Associate Administrator, Tim Witt, Tim Hoffman, Tom Worth, Bill Bing, Matt Kamphoefner, Mary Alonzo, Margo Erny, Matt Kamphoefner, Leiann Nelson, Sara Buettner-Connelly and Ron Lundine of RMA; Don Armstrong, Lewayne Jansonius and Rob Cerda, Crop Insurance Services; Ken Ackerman, Olsen, Frank and Weeda; David Bossman, Clifton Parker, AgWin; Robert Parkerson, ProAg; Larry J. Fontenot, Louisiana Sweet Potato Commission; William Handy and Brian Breaux, Louisiana Farm Bureau.

Chairman Glauber asked Bill Murphy, FCIC Manager for the Manager's Report. Mr. Murphy noted that the Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov). Hearing no objection, Dr.

Manager's Report

Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 3088)

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 August 12, 2010.

Dispense with Reading – Minutes

The motion carried. (Exhibit 3089)

Approved

Next, the Board took up Docket No. CI- Section 508(h) Confidential Submission 0020 09-22-10 02. 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.

Confidential Submission 0020

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

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 0020 09-22-10 02, Exhibit 3090, the Board approves expert review for Confidential Submission 0020 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 0020 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 3090)

Approved

The Board then considered Docket No. CI – Section 508(h) Confidential Submission 0018 09-22-10 02.

Confidential Submission 0018

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

RESOLVED, that pursuant to the information contained in Docket No. CI – Section 508(h) Confidential Submission 0018 09-22-10 02, Exhibit 3091, as well as other related materials that were submitted to the Board for consideration and discussion on this matter, the Board approves Confidential Submission 0018, under section 508(h) of the Federal Crop Insurance Act (Act) beginning with the

2011 crop year, 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 sections 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. (Exhibit 3091)

Approved

Confidential Submission 0018 refers to a Sweet Potato Actual Production History plan of insurance submitted by the Louisiana Farm Bureau Federation and the Louisiana Sweet Potato Association in conjunction with Crop Insurance Systems.

The Board next considered Docket No. CI-Reimbursement Request – Group Risk Plan (GRP) for Oysters Plan of Insurance 09-22-10 01.

Reimbursement Request – Group Risk Plan (GRP) 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 (GRP) for Oysters Plan of Insurance 09-22-10 01, Exhibit 3092, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of first year maintenance costs in the amount of \$33,252 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 3092)

Approved

Chairman Glauber brought to the floor Docket No. CI Reimbursement Request – Group Risk Plan (GRP) Sugarcane Plan of Insurance 09-22-10 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 Plan of Insurance 09-22-10 01, Exhibit 3093, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of second year maintenance costs in the amount of \$16,254 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 3093)

Approved

<p>The Board then considered Docket No. CI Reimbursement Request – Fresh Market Bean Plan of Insurance 09-22-10 01.</p>	<p>Reimbursement Request – Fresh Market Bean</p>
<p>The Chair offered the following resolution, which was seconded, for adoption:</p>	
<p>RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Fresh Market Bean Plan of Insurance 09-22-10 01, Exhibit 3094, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of first year maintenance costs in the amount of \$22,510 for the Fresh Market Bean plan of insurance as authorized under section 522(b) of the Federal Crop Insurance Act.</p>	
<p>The Board voted to approve the resolution. (Exhibit 3094)</p>	<p>Approved</p>
<p>The Board next considered Docket No.-CI Reimbursement Request – Apiculture Plan of Insurance 09-22-10 01.</p>	<p>Reimbursement Request – Apiculture Plan of Insurance</p>
<p>The Chair offered the following resolution, which was seconded, for adoption:</p>	
<p>RESOLVED, that pursuant to the information contained in Docket No.-CI Reimbursement Request – Apiculture Plan of Insurance 09-22-10 01, Exhibit 3095, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of second year maintenance costs in the amount of \$310,536 for the Apiculture program as authorized under section 522(b) of the Federal Crop Insurance Act.</p>	
<p>The Board voted to approve the resolution. (Exhibit 3095)</p>	<p>Approved</p>
<p>Docket No. -CI Reimbursement Request –Processing Pumpkins Plan of Insurance 09-22-10 01 was the next item on the agenda.</p>	<p>Reimbursement Request – Processing Pumpkins Plan of Insurance</p>
<p>The Chair offered the following resolution, which was seconded, for adoption:</p>	
<p>RESOLVED, that pursuant to the information contained in Docket No. -CI Reimbursement Request –Processing Pumpkins Plan of Insurance 09-22-10 01, Exhibit 3096, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of third year maintenance costs in the amount of \$13,674.04 for the Processing Pumpkins Program as authorized under section 522(b) of the Federal Crop Insurance Act.</p>	
<p>The Board voted to approve the resolution. (Exhibit 3096)</p>	<p>Approved</p>
<p>Docket No. CI Reimbursement Request –Tobacco Quality-Price</p>	<p>Reimbursement</p>

Plan of Insurance 09-22-10 01 was brought before the Board.

Chairman Glauber 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 Plan of Insurance 09-22-10 01, Exhibit 3097, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of first year maintenance costs in the amount of \$117,591 for the Tobacco Quality-Price program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 3097)

The Board then considered Docket No. CI – Section 522(b) Confidential Submission 09-22-10 02.

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

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) provides the Board with the authority to pay an advance payment 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 119 09-22-10 02, Exhibit 3098, the Board approves the advance payment of \$342,849 for Concept Proposal 119, 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.

The Board voted to approve the resolution. (Exhibit 3098)

Docket No. CI- Rainfall Index (RI) and Vegetation Index (VI) Pasture, Rangeland and Forage (PRF) Plans of Insurance Modifications 09-22-10 01 was brought before the Board.

Request –  
Tobacco Quality-  
Price Plan of  
Insurance

Approved

Concept Proposal  
119

Approved

Rainfall Index (RI)  
and Vegetation  
Index (VI)  
Pasture,

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

Rangeland and Forage (PRF) Plans of Insurance

RESOLVED, that pursuant to the information contained in Docket No. CI- Rainfall Index (RI) and Vegetation Index (VI) Pasture, Rangeland and Forage (PRF) Plans of Insurance Modifications 09-22-10 01, Exhibit 4000, as well as other materials that were submitted to the Board on the matter, the RI-PRF and VI-PRF Pilot Program expansions beginning with the 2012 reinsurance 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 through the evaluation period. 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.

The Board voted to approve the resolution. (Exhibit 4000)

Approved

There being no further business to come before the Board the meeting adjourned to meet again, November 18, 2010 in Washington, DC.

Adjourn

September 22, 2010                     /signed/                      
Cindy Spoor, Secretary  
Federal Crop Insurance Corporation