

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, 2011, 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,
2011

The meeting was called to order at 1:00 pm on September 21, 2011 in open session.

Call to Order
Public Session

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 1:30 pm on September 22, 2011.

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

Present

Also present were Kim Arrigo and Alicia Peden, 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, Pat Engel, Chad Sheridan, Tim Davis, Rachel Johnson and Ron Lundine of RMA; Don Armstrong, Lewayne Jansonius and Rob Cerda, Crop Insurance Services; Ken Ackerman, Olsen, Frank and Weeda; David Bossman and Clifton Parker, AgWin; Ken Harrison; Jim Driscoll and Alex Offerdahl, Watts and Assoc.; Clif Parks and Bill Smith, Agrilogic and Adin Hestor, Olive Growers.

Chairman Glauber asked Bill Murphy, FCIC Manager for the Manager's Report. Mr. Murphy stated that the Manager's Report is available on line at www.rma.usda.gov. and noted that; the Acreage Crop Reporting Streamlining Initiative(ACRSI) continues to make progress towards providing streamlined and self-service solutions

Manager's Report

to producers for reporting program data; the Acquisition Services Directorate awarded a new contract for the Nursery Crop Insurance Program Evaluation and Recommended Improvement; RMA is closely monitoring available funding for all livestock insurance plans and making adjustments, as necessary, to distribute available funding equitably; and that several areas in the upper Midwest region had experienced early frost.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4045)

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 18, 2011.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit 4046)

Approved

Next, the Board took up Docket No. - CI Reimbursement Request – Specialty Trait Soybeans Plan of Insurance 09-22-11 01.

Reimbursement
Request –
Specialty Trait
Soybeans

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

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Specialty Trait Soybeans Plan of Insurance 09-22-11 01, Exhibit 4047, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of \$36,168.77 for the Specialty Trait Soybeans program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4047)

Approved

The Board then considered Docket No. CI - Reimbursement Request – Cottonseed Price Endorsement Plan of Insurance 09-22-11 01.

Reimbursement
Request –
Cottonseed Price
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 Price Endorsement Plan of Insurance 09-22-11 01, Exhibit 4048 as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of first year

maintenance costs in the amount of \$78,832.29 for the Cottonseed Price Endorsement program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4048)

Approved

The Board next considered Docket No. - CI Reimbursement Request – Popcorn Revenue Plan of Insurance 09-22-11 01.

Reimbursement
Request –
Popcorn Revenue

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

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Popcorn Revenue Plan of Insurance 09-22-11 01, Exhibit 4049, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of \$106,002.70 for the Popcorn Revenue program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act..

The Board voted to approve the resolution. (Exhibit 4049)

Approved

Chairman Glauber brought to the floor Docket No. - CI Reimbursement Request – Fresh Market Beans Plan of Insurance 09-22-11 01.

Reimbursement
Request – Fresh
Market Beans

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 Beans Plan of Insurance 09-22-11 01, Exhibit 4050, 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 \$19,113.19 for the FMB program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4050)

Approved

The Board then considered Docket No. CI - Reimbursement Request – Group Risk Plan for Oysters Plan of Insurance 09-22-11 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 Plan of Insurance 09-22-11 01, Exhibit 4051, 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 \$33,939.93 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 4051)

Approved

The Board next considered Docket No. - CI Reimbursement Request – Group Risk Plan-Sugarcane Plan of Insurance 09-22-11 01.

Reimbursement Request – Group Risk Plan-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-Sugarcane Plan of Insurance 09-22-11 01, Exhibit 4052, 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 \$9,116.63 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 4052)

Approved

Docket No. - CI Reimbursement Request – Louisiana Sweet Potato Plan of Insurance 09-22-11 01 was the next item on the agenda.

Reimbursement Request – Louisiana Sweet Potato

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

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Louisiana Sweet Potato Plan of Insurance 09-22-11 01, Exhibit 4053, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of \$319,838.82 for the Louisiana Sweet Potato program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4053)

Approved

Docket No. - CI Reimbursement Request – Apiculture Plan of Insurance 09-22-11 01 was brought before the Board.

Reimbursement
Request –
Apiculture

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

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Apiculture Plan of Insurance 09-22-11 01, Exhibit 4054, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of third year maintenance costs in the amount of \$244,915.25 for the Apiculture program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4054)

Approved

The Board then considered Docket No. - CI Reimbursement Request –Tobacco Quality-Price Plan of Insurance 09-22-11 01.

Reimbursement
Request –
Tobacco Quality-
Price

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 09-22-11 01, Exhibit 4055, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board reimbursement in the amount of \$319,238.57 for the Tobacco Quality-Price program, as payment in full for work completed and turning the policy over to the Risk Management Agency and any additional work that may be required to transition the policy, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4055)

Approved

Docket No. - CI Reimbursement Request – Trend Adjusted Actual Production History Yield Endorsement Plan of Insurance 09-22-11 01 was brought before the Board.

Reimbursement
Request – Trend
Adjusted Actual
Production History
Yield
Endorsement

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

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Trend Adjusted Actual

Production History Yield Endorsement Plan of Insurance 09-22-11 01, Exhibit 4056, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of \$72,730.58 for the Trend-APH program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4056)

Approved

Next, the Board took up Docket No. CI – Section 522(b) Concept Proposal 122 09-22-11 03.

Concept Proposal
122

The Chair 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 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 122 09-22-11 03, Exhibit 4057, the Board approves the advance payment of \$249,936. 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 2013 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. The submitter will be required to prove that all costs are necessary and reasonable.

There being no discussion, the Board voted to disapprove the resolution. (Exhibit 4057)

Disapproved
Recused- Susan
Rogers

The Board then considered Docket No. CI-Section 508(h) Confidential Submission 0024 09-22-11 02.

Confidential
Submission 0024

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 0024 09-22-11 02, Exhibit 4058, as well as other materials that were submitted to the

Board on this matter, the Board hereby approves Confidential Submission 0024, subject to the conditions stated in the Executive Session, beginning with the first crop year the manager determines is practicable 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 the Board directs the Risk Management Agency to make such changes as necessary to existing programs to make them conform to the above stated Docket. 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 4058)

Approved

Confidential Submission 0024 refers to a Rainfall Index Annual Forage plan of insurance submitted by AgForce Inc. that will insure annual forage production using the same rainfall index, technology, and rating methods that are currently being used for the Rainfall Index, Pasture, Rangeland, Forage (RI-PRF) and Apiculture (API) pilot programs.

The Board next considered Docket No. CI-Section 508(h) Confidential Submission 0028 09-22-11 02.

Confidential
Submission 0028

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 0028 09-22-11 02, Exhibit 4059, as well as other material that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0028 beginning with the first crop year that the Manager determines is practicable 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.

The Board voted to approve the resolution. (Exhibit 4059)

Approved

Confidential Submission 0028 refers to an Olive-Actual Production History (Olive-APH) plan of insurance submitted by The California Olive Growers Council.

Chairman Glauber brought to the floor Docket No. CI-Section 508(h) Confidential Submission 0030 09-22-11 02.

Confidential
Submission 0030

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 0030 09-22-11 02, Exhibit 4060, as well as other material that were submitted to the Board on this matter, the Board hereby conditionally approves Confidential Submission 0030 on the basis that the submitter complies with all requirements imposed by the Board and the Risk Management Agency (within a reasonable time period) 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.

The Board voted to approve the resolution. (Exhibit 4060)

Approved

Confidential Submission 0030 refers to a Camelina-Actual Production History (Camelina-APH) plan of insurance submitted by Great Plains Oil and Exploration, LLC and Crop Insurance Systems, Inc.

The Board then considered Docket No. CI- Section 508(h) Popcorn Revenue Coverage Submission 0019 09-22-11 01.

Popcorn Revenue
Coverage
Submission 0019

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) Popcorn Revenue Coverage Submission 0019 09-22-11 01, Exhibit 4062, as well as other material that were submitted to the Board on this matter, the Board hereby approves the expansion of the Popcorn Revenue Coverage Plan of Insurance, beginning with the crop year the Manager determines is practicable in all counties that offer yield protection for popcorn 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, is hereby approved. 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 4062)

Approved

The Board next considered Docket No. CI- Actual Production

Actual Production

