

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 15, 2012, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting  
November 15,  
2012

The meeting was called to order at 9:00 am, November 15, 2012, in Room 108A, Jamie Whitten 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).

Executive Session

The open session of the Board reconvened on November 15, 2012, at 1:00 pm.

Reconvene 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 and advised each member to act accordingly.

Recitation

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA; Ellen Linderman, Maggie Goode, Michael Scuse, Under Secretary for Farm and Foreign Agricultural Services and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Barbara Leach, Associate Administrator, Tim Witt, Thomas Worth, Michael Alston, Patrick Scates, Sydnee Chattin and Tammy Jackson; Kim Arrigo (phone), David Grahn and Michael Knipe, Office of the General Counsel; Rob Johansson, Deputy Chief Economist; James Callan, James Callan Assoc. Rob Cerda, Crop Insurance Services, Cliff Parks, Agrilogic Inc.; Brooke Stringer, NAIC; and present by phone were: Tim Hoffman, Tim Davis, Bill Bing, Ron Lundine of RMA; and Velerie Eddleman, Farm Service Agency.

Chairman Glauber asked Bill Murphy 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 partnered with the National Agricultural Statistics Service (NASS) to collect additional price information from certified organic growers to enhance the availability and soundness of program offers. NASS held a Special Release Briefing in Washington, D.C., on October 4, 2012 to announce the survey results to the public, a publication will be made available on the NASS website and a special tabulation of data will be provided to RMA.; On October 11, 2012, RMA issued 2012 crop year final grid indices and payment calculation factors for Apiculture and Pasture, Rangeland, Forage; and RMA continued to monitor drought conditions and has posted to the web page frequently asked questions and answers.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4114)

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 20, 2012.

Dispense with Reading – Minutes

The motion carried. (Exhibit 4115)

Approved

Chairman Glauber brought Docket No. CI – Section 522(b) Concept Proposal 125 11-15-12 02 to the floor.

Concept Proposal 125

Chair Glauber then 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 125 11-15-12 02, Exhibit 4116, the Board approves the advance payment of \$154,638 for Concept Proposal 125 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, 2013 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4116)

Approved

The Chair noted that the next agenda item before the Board was Docket No. CI –Section 522(b) Concept Proposal 127 11-15-12 02 which had been withdrawn by the submitter.

Concept Proposal  
127

Chair Glauber then offered the following resolution for Docket No. CI – Section 522(b) Concept Proposal 128 11-15-12 01, which was seconded:

Concept Proposal  
128

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) Concept Proposal 128 11-15-12 01, Exhibit 4118, the Board approves expert review of Concept Proposal 128 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 128 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 4118)

Approved

Docket No. CI-Modifications to Olive Actual Production History plan of insurance 11-15-12 01 was the next action item.

Olive APH

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

RESOLVED, that Docket No. CI-Modifications to Olive Actual Production History plan of insurance 11-15-12 01, Exhibit 4119, authorizing the non-significant modification of the Olive APH plan of insurance is hereby approved beginning with the first crop year the Manager determines is practicable, 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 4119)

Approved

The Chair then offered the following resolution for Docket No. CI-Silage Sorghum Pilot Program 11-15-12 01, which was seconded:

Silage Sorghum Pilot Program

RESOLVED, that pursuant to the information contained in Docket No. CI-Silage Sorghum Pilot Program 11-15-12 01, Exhibit 4120, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves the expansion 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, 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 4120)

Approved

Docket No. CI – Expansion of Actual Production History Sesame Pilot Crop Insurance Program 11-15-12 01 was the next agenda item brought to the floor.

APH Sesame Pilot Program

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

RESOLVED, that pursuant to the information contained in Docket No. CI – Expansion of Actual Production History Sesame Pilot Crop Insurance Program 11-15-12 01, Exhibit 4121, the APH Sesame Pilot Program beginning with the 2013

crop year, as determined appropriate by the Manager as authorized under section 523 of the Federal Crop Insurance Act, that the proposed expansion of APH Sesame Pilot Program is hereby approved AND BE IT FURTHER RESOLVED, that the Board delegates to the Manager the authority to make such changes as are necessary to make the expansion legally sufficient.

There being no discussion the Board voted to approve the resolution. (Exhibit 4121)

Approved

There being no further business to come before the Board the meeting adjourned to meet again February 5-7, 2013, in Washington, DC.

Adjourn

November 15, 2012

\_\_\_\_\_/signed/\_\_\_\_\_  
Cindy Spoor, Secretary  
Federal Crop Insurance Corporation