



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

1400 Independence
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Stop 0801
Washington, DC
20250-0801

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Ross J. Davidson, Jr.
Manager

SUBJECT Board Memorandum No. 733
Docket No. CI-Whole Farm Revenue Protection-03-01
Whole Farm Revenue Protection Plan Submitted by Agri-Services L.L.C.

There is submitted for your consideration the subject docket authorizing or not authorizing the Whole Farm Revenue Protection (WFRP) plan of insurance beginning with 2004 crop year as submitted by Agri-Services L.L.C (AGRS). WFRP plan of insurance intends to covers risk on a whole farm basis for farms with irrigated potatoes, irrigated sugar beets, irrigated corn, spring wheat, feed barley, and oats. AGRS is requesting approval of the plan with reinsurance, risk subsidy, and administrative and operating subsidy.

Under section 508(h) of the Federal Crop Insurance Act (Act), the Board shall approve a submission if the interests of producers are protected and the premium rates are actuarially appropriate. While section 508(h) of the Act states that submissions may be prepared without regard to the limitations in the Act, it is not unrestricted. The coverage level and price elections have been specifically referenced as examples of the limitations that do not apply. These provide the guidelines regarding what constitutes a limitation. All other provisions of the Act, such as prohibitions, are applicable to the submission. If the submission violates one of these other provisions, then the Board does not have the authority to approve the submission. Since the Act also requires the agency to take such action to make the program actuarially sound and protect the integrity of the program, the Board does not have the authority to approve submissions that contain program vulnerabilities or adversely affect program integrity.

Whole Farm Risk Protection
Beginning in the 2004 Crop Year
Authorization for Approval or Disapproval
Docket No. CI-Whole Farm Risk Protection-03-01

FINAL RESOLUTION

RESOLVED, that the submitting entity is notified of the Board's intent to disapprove Docket No. CI-Whole Farm Revenue Protection-03-01, Exhibit No. 2203 for the Whole Farm Revenue Protection plan of insurance, on the basis that the Board has been unable to make a determination that the submission complies with all applicable provisions of the Federal Crop Insurance Act, the interests of producers are adequately protected, the premium rates are actuarially appropriate, and that program integrity will be protected for the reasons set forth in the expert, Risk Management Agency, and Office of the General Counsel reviews, and the concerns raised by the Board in Executive Session. This notice of intent to disapprove will also be provided to the submitting entity in writing.

Adopted by the Board of Directors on: October 29, 2003

/signed/
Byron Anderson, Secretary
Federal Crop Insurance Corporation

[SEAL]

Approved by:

Keith Collins /signed/
Chairman of the Board

Date 11-03-2003