

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 May 17 and May 18, 2023, via in person, videoconference, and phone. The public was invited to attend the open session portion of the meeting.

Meeting
May 17-18, 2023

The meeting was called to order at 9:30 am on May 17, 2023.

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 section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened on May 18, 2023, at 4:00 pm.

Reconvene Open
Session

Maureen James 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 Seth Meyer, Chief Economist; Nicole Berg, Ken Selzer, Scott Silveus, Pat Swanson, Chris Bardenhagen and Marcia Bunker, Manager, FCIC, constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Present were Richard Flournoy, David Zaroni, Xuan Pham, RMA; Maureen James, Office of the General Counsel; Clif Parks, Keith and Danielle Schuman, AgriLogic.

Present by phone were Heather Manzano, Toby Cain, Angela Conchola, Galen Tuley, RMA; Brandon McDonald and Kim Harris, AgriLogic; Alex Offerdahl, Watts and Associates; and Melisa Gerner, Crop Risk Services; and Brittney Fagundes, CA Olive Ranch.

Chairman Meyer asked Administrator Marcia Bunger for the Manager's Report. Mrs. Bunger stated that the [Manager's Report](#) is available on-line.

Manager's Report

Hearing no objection, Dr. Meyer agreed to dispense with a reading of the Manager's Report. (Exhibit 4712)

A motion was made and seconded to dispense with the reading of the February and April Minutes and to approve the Minutes of the meetings of the Board held on February 17 and April 19, 2023. The motion carried. (Exhibits 4713 and 4714)

Minutes

Chairman Meyer offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 168 05-18-23 02.

522(b) Concept Proposal 168

That submission is on a time delay.

Time Delay

Chairman Meyer offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 170 05-18-23 01, which was seconded.

522(b) Concept Proposal 170

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (FCIA) authorizes 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 that meets the applicable requirements proposed to be developed under section 508(h) of the FCIA;

NOW THEREFORE BE IT RESOLVED that pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 170 05-18-23 01, Exhibit 4716, as well as other material submitted to the Board on this matter, the Board approves expert review of Concept Proposal 170 as authorized under section 522(b) of the FCIA.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4716)

Approved

Chairman Meyer offered the following resolution for Docket No. CI-Section 508(h) Submission Livestock Gross Margin for Cattle, Swine, and Dairy Modification 05-18-23 01.

Submission
Livestock Gross
Margin for Cattle,
Swine, and Dairy
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Livestock Gross Margin for Cattle, Swine, and Dairy Modification 05-18-23 01, Exhibit 4717, as well as other material submitted to the Board on this matter, the Board hereby approves 508(h) Submission Livestock Gross Margin for Cattle, Swine, and Dairy Modification, with revisions as discussed in Executive Session, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, 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.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4717)

Approved

Chairman Meyer offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 169 05-18-23 01, which was seconded.

522(b) Concept
Proposal 169

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (FCIA) authorizes 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 that meets the applicable requirements proposed to be developed under section 508(h) of the FCIA;

NOW THEREFORE BE IT RESOLVED that pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 169 05-18-23 01, Exhibit 4718, as well as other material submitted to the Board on this matter, the Board approves expert

review of Concept Proposal 169 as authorized under section 522(b) of the FCIA.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4718)

Approved

The Chairman offered the following resolution Docket No.CI-Section 508(h) Confidential Submission 0119 Modification 05-18-23 02, which was seconded.

508(h)
Confidential
Submission 0119
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0119 Modification 05-18-23 02, Exhibit 4719, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0119 Modification, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, 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.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4719)

Approve

The Chairman offered the following resolution Docket No.CI-Section 508(h) Confidential Submission 0121 05-18-23 01, which was seconded.

Confidential
Submission 0121

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0121 Modification 05-18-23 01, Exhibit 4720, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0121 Modification, with revisions as discussed in Executive Session, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, 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.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4720)

Approved

The Chairman offered the following resolution Docket No. CI-Section 508(h) Confidential Submission 0122 05-18-23 01, which was seconded.

508(h)
Confidential
Submission 0122

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0122 Modification 05-18-23 01, Exhibit 4721, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0122 Modification, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, 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.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure

compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4721).

Approved

The Chairman offered the following resolution Docket No. CI-Section 508(h) Submission Dry Bean Remand Implementation 05-18-23 02, which was seconded.

508(h) Dry Bean

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Dry Bean Remand Implementation 05-18-23 02, Exhibit 4722, as well as other material submitted to the Board on this matter, the Board hereby approves the Dry Bean Remand Implementation, which affirms the approval of the prior Submission the Dry Bean Modification and Expansion, in full and specifically with respect to the contingency pricing methodology.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board notes that all five expert reviewers stated that the actions taken by the Manager, with agreement of the applicant, to implement changes and other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product were the correct actions for the benefit of the producer and the program.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board notes the Manager implemented a solution that was discussed by experts at the time and merely provided certainty to producers prior to entering into a binding insurance contract, rather than allowing contract terms to be variable post hoc. Upon the latest review, the new set of experts agreed the implemented methodology was more transparent, has likely led to greater grower satisfaction, potentially better actuarial soundness, and would be less likely to invite litigation.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board notes the Dry Beans Revenue participations strongly suggests growers are happy with the product design, as even after the contingency pricing methodology triggered in 2015, sales only increased in later years, thus the interest of producers seems protected.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board notes the experts did have differing opinions on how premiums

should be handled with such a methodology, but none believe the current premium methodology is actuarially unsound, especially given the presence of premium subsidy and the relatively minor effect the contingency pricing mechanism has on expected losses. However, the Board requests the Manager engage the applicant in order to consider the suggestions presented by the reviewers for a future modification.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4722)

Approved

The Chairman offered the following resolution Docket No. CI-Submission Puerto Rico Pineapple Modification 05-18-23 01, which was seconded.

Puerto Rico
Pineapple
Modification

RESOLVED, that pursuant to the information contained Docket No. CI-Submission Puerto Rico Pineapple Modification 05-18-23 01, Exhibit 4723, as well as other material submitted to the Board on this matter, the Board hereby approves the Puerto Rico Pineapple Modification submission, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, reinsurance, administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under the authority contained in section 522(c) and 523(a) of the Federal Crop Insurance Act.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4723)

Approved

The Chairman offered the following resolution Docket No. CI-Submission Camelina Modification 05-18-23 01, which was seconded.

Camelina
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Submission Camelina Modification 05-18-23 01, Exhibit 4724, as well as other material submitted to the Board on this

matter, the Board hereby approves the Camelina Modification, beginning with the 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 522(c) and 523(a) of the Federal Crop Insurance Act.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4724)

Approved

The Chairman offered the following resolution Docket No. CI-Submission Shellfish 05-18-23 01, which was seconded.

Shellfish

RESOLVED, that pursuant to the information contained Docket No. CI-Submission Shellfish 05-18-23 01, Exhibit 4725, as well as other material submitted to the Board on this matter, the Board hereby approves the Shellfish submission, with revisions as discussed in Executive Session, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, reinsurance, administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under the authority contained in section 522(c) and 523(a) of the Federal Crop Insurance Act.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4725)

Approved

The Chairman offered the following resolution Docket No. CI-Submission Controlled Environment 05-18-23 02, which was seconded.

Controlled
Environment

RESOLVED, that pursuant to the information contained Docket No. CI-Submission Controlled Environment 05-18-23 02, Exhibit 4726, as well as other material submitted to the Board on this matter, the Board hereby approves the Controlled Environment submission, with revisions as discussed in Executive Session, beginning with the crop year the Manager determines is practicable with actuarially appropriate rates, reinsurance, administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under the authority contained in section 522(c) and 523(a) of the Federal Crop Insurance Act.

NOW THEREFORE BE IT FURTHER RESOLVED that the Board delegates to the Manager the authority to take the actions necessary to implement the product for the appropriate crop year. This delegation includes the authority to implement changes, including those discussed in executive session, and to make other revisions to conform the product to RMA standards, ensure compliance with the law, and other revisions to efficiently implement the product.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4726)

Approved

With no further business the Board voted to adjourn and to meet again August 15-17, 2023, location to be determined.

Adjourn

May 18, 2023

/signed/
Robin Anderson, Secretary
Federal Crop Insurance Corporation