

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 March 1, 2012 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
March 1, 2012

The meeting was called to order at 9:00 am, March 1, 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 March 1, 2012, at 1:30 pm in Room 108A, Jamie Whitten Building, U.S. Department of Agriculture, Washington, DC.

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; Susan Rogers, James Nickel, Ellen Linderman, Maggie Goode, Luis Monterde, Mike Pickens and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were David Grahn, Kim Arrigo and Michael Knipe of the Office of the General Counsel; Barbara Leach, Associate Administrator, Tim Witt, Thomas Worth, Tim Davis, Ron Lundine, Michael Alston and Terri LaGarde of RMA; David Graves, AACI; Dennis Daggett, ProAg; Ken Ackerman, Olsen, Frank and Weeda; Alex Offerdahl and Cole Arthun, Watts and Associates; Steve Edwardson, ND Grain Growers; Jeffrey Donoho, Donoho Insurance Agency; Jim Thompson and Tim McGreevy, Dry Pea and Lentil Assoc.; Tom Kennelly, Tim Courneya, Tim Smith, and Scott Mund,

Northharvest Beans; Dale Thorenson, Gordley Assoc.; and Barry Coleman, NCGA.

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Murphy noted that: Indemnities from 2011 currently are just over \$9.8 billion and are the highest in the history of the Federal crop insurance. He also stated that the new Actual Production History Olive, Popcorn Revenue, Camelina Pilot and Specialty Trait Soybeans plans of insurance will be available beginning with the 2012 crop year.

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4068)

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 November 17, 2011.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit 4069)

Approved

Chairman Glauber brought Docket No. CI-Section 508(h) Confidential Submission 0031 03-01-12 01 to the floor.

Confidential
Submission 0031

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

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0031 03-01-12 01, Exhibit 4070, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the revisions of Confidential Submission 0031 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 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. This Board approval is contingent upon the following terms: either area or individual coverage is available but not both; no more than one enterprise unit for the crop in the county; crops covered by the pilot are limited to corn, soybeans, wheat and grain sorghum; and it is delegated to the Manager to work with the submitter to determine the states to offer the pilot program except it may not

be offered in the Prairie Pothole area.

There being no discussion the Board voted to approve the resolution. (Exhibit 4070)

Approved

Confidential Submission 0031 refers to a High Risk Excluded Land Endorsement (HRELE) plan of insurance submitted by Donoho Insurance Agency, Inc. and Producers Agriculture Insurance Company, that would allow a producer to exclude the high risk land from the base policy, and buy a higher level of individual coverage than CAT on their excluded high risk land, but at a lower level than their selected coverage on their non-high risk land.

The next action item before the Board was Docket No. CI-Section 508(h) Confidential Submission 0032 03-01-12 01.

Confidential
Submission 0032

Chair Glauber offered the following resolution, which was seconded:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0032 03-01-12 01, Exhibit 4071, as well as other material that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0032 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 4071)

Approved

Confidential Submission 0032 refers to a Pulse Crop Revenue plan of insurance submitted by Watts and Associates, Inc., on behalf of the Northarvest Bean Growers Association and the United States Dry Pea and Lentil Council.

Docket No. CI- Section 508(h) Confidential Submission 0034 03-01-12 01 was the next action item before the Board.

Confidential
Submission 0034

Chair Glauber offered the following resolution, which was seconded:

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 0034 03-01-12 01, Exhibit 4072, the Board approves expert review for Confidential Submission 0034 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 0034 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 4072)

Approved

Chairman Glauber brought Concept Proposal 124 03-01-12 01 to the floor and offered the following resolution, which was seconded:

Concept Proposal
124

RESOLVED, that pursuant to the information contained in Concept Proposal 124 03-01-12 01, Exhibit 4073, as well as other material that were submitted to the Board on this matter, the Board hereby approves Concept Proposal 124 under section 508(h) of the Federal Crop Insurance Act with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager. AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to work with the submitter to determine the price differential and 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 4073)

Concept Proposal 124 refers to a Specialty Canola Revenue plan of insurance submitted by Watts and Associates, Inc. and the Northern Canola Growers Association.

Approved

County Crop Program Deletions

Procedures for the Submission and Review of New and Revised Crop Insurance Policies

Approved

Adjourn

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