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 October 29, 2003, in room 104-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend the Open Session portions of the meeting.

The meeting was called to order at 10:15 a.m., in Open Session.

Present were Keith Collins, Chief Economist, USDA and Chairperson; J. B. Penn, Under Secretary, Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; David C. Hatch, Deputy Manager FCIC; Byron Anderson, Secretary; and Vondie O’Conner, Deputy Secretary.

Also present were Floyd Gaibler, and Butch May, Farm and Foreign Agricultural Services (FFAS); David Grahn and Kim Arrigo, Office of the General Counsel (OGC); Alan Ott, Tim Witt, Ron Lundine, Tom Worth, Nelson Maurice, Eric Edgington, Shirley Pugh, Jim Callan, Ann Jorgenson, Shannon Percetic, Dave Paul, Leiann Nelson, Brent Doane, and Raegan Weber, David Fulk, Eric Henry of the Risk Management Agency (RMA), Russell Redding (PA Dept. of Agriculture), Charles Weller, Sr. (National Corn Growers Association),

The Open Session adjourned at 10:20 a.m., to reconvene in Executive Session. Executive Session commenced at 10:20 a.m. and was recessed at 10:30 a.m. due to a fire drill in the Whitten Building. At 10:45 a.m. the Executive Session reconvened. At 1:20 p.m. the Executive Session concluded. Open Session of the FCIC Board of Directors commenced at 2:00 p.m.

Ross Davidson, FCIC Manager, presented his Manager’s Report to the Board that covered an update on a variety of topics, including Cost Of Production (COP), Grain Sorghum/CRC Price Election, and a status report on American Growers rehabilitation. Mr. Davidson also provided some highlights on recent RMA awards for education partnerships and agreements for community outreach, and research and development.
David Grahn read a recitation to all members of the Board.

The FCIC Board Minutes from the September 24, 2003 meeting were read, a motion to approve the minutes was made and seconded and the Board unanimously approved the minutes.

The FCIC Board Minutes from the October 9, 2003 meeting were read, a motion to approve the minutes was made and seconded and the Board unanimously approved the minutes.

A motion was made and seconded to adopt the resolution contained in Board Memorandum N. 729 (see attached) regarding the Policy Provisions and Rate Changes for Coffee Crop and Coffee Trees submitted by the Puerto Rico Corporacion De Seguros Agricolas. The Board voted unanimously to adopt the resolution.

RMA staff informed the Chair that the Corn Silage Price Election Enhancement Endorsement Option Pilot Program had been withdrawn from consideration by the submitter.

A motion was made and seconded to adopt the resolution contained in Board Memorandum N. 731 (see attached) regarding the Group Risk Income Protection-Harvest Revenue Option (GRIP-HRO). The Board voted unanimously to adopt the resolution.

The Board then considered the resolution on Livestock Risk Protection Revision for Feeder Cattle, Fed Cattle and Swine. There was a discussion about whether all weights were included or if there were weight limits. After a discussion, unanimous consent was given by the Board to amend the resolution to reflect the different weight categories. The resolution was then approved by unanimous vote.

A motion was made and seconded to adopt a resolution to approve a Whole Farm Revenue Protection Plan. This motion was rejected by a unanimous vote. A motion was made and seconded to adopt the resolution in Board Memorandum No. 733, reflecting the Board’s intent to disapprove this submission. The resolution was adopted by unanimous vote.

The Board then received a briefing by Tim Hoffman (RMA) on the proposed expansion of the Group Risk Income Protection (GRIP) plan of Insurance. Upon receiving the briefing, a motion was made and seconded to adopt the resolution in Board Memorandum #734 (see attached). The resolution was adopted by a unanimous vote.

Tim Witt (RMA) provided the Board with the background on a
submission to Continue Specified Pilot Crop Insurance Programs. A motion was made and seconded to adopt the resolution in Board Memorandum No. 735 (see attached). The resolution was adopted by unanimous vote.

The Board then received a presentation by Tim Witt and Nelson Maurice (RMA) on whether the Sweetpotato Pilot Insurance Program should be continued (with or without limitations), suspended or terminated based on concerns regarding the high loss ratios in certain counties. After discussion of the options, a motion was made and seconded to adopt the resolution in Board Memorandum No. 736 (see attached). The board then adopted the resolution with one vote in the negative.

A briefing was give by Tim Witt on the CRC Grain Sorghum price. At the conclusion of the briefing, a motion was made and seconded to adopt the resolution in Board Memorandum No. 738 (see attached). The resolution was adopted by unanimous vote.

The Board then received a report on the Sugar Beet Stage Removal Option Pilot Program from Tim Hoffman. Mr. Hoffman requested that the submission be approved for expert review. A motion was made and seconded to adopt the resolution in Board Memorandum No. 737 (see attached). The resolution to send this submission to expert review was adopted by unanimous vote.

There being no further business to come before the Board, the meeting adjourned at 5:00 p.m. to meet again in mid-December, 2003 in Washington, D.C.

October 29, 2003

Byron Anderson, Secretary
Federal Crop Insurance Corporation

Pilot Crop Insurance Programs Approved
Continuance of Sweetpotato Pilot Insurance Program Approved with modifications
CRC Grain Sorghum price Approved
Expert Review for Sugar Beet Stage Removal Option Pilot Program Approved
Adjourn