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 July 31, 2003 in Room 221-A, and August 1, 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 1:19 p.m., in Open Session.

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

Also present were Butch May, Farm and Foreign Agricultural Services (FFAS); David Grahn, and Kim Arrigo, Office of the General Counsel (OGC); Joe Glauber; Office of Chief Economist (OCE); Darrell Swanson; Office of the Inspector General (OIG); Alan Ott, Tim Witt, Nelson Maurice, Eric Henry, Leann Nelson, Raegan Weber, Tom Worth, Vondie O’Conner, Bill Zillman, Bob Vollmert, Anjie Minnick, and Shannon Persetic of the Risk Management Agency (RMA).

The Open Session adjourned at 1:20 p.m., to reconvene in Executive Session at 1:21 p.m.

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Byron Anderson, Secretary.

Also present were Butch May and Floyd Gaibler, FFAS; David Grahn, and Kim Arrigo, OGC; Joe Glauber, OCE; Darrell Swanson, OIG; Alan Ott, Tim Witt, Nelson Maurice, Raegan Weber, Tom Worth, Vondie O’Conner, Eric Henry, Leann Nelson, Bob Vollmert, Bill Zillman, Anjie Minnick, and Shannon Persetic, RMA.
At 1:21 p.m., Bruce Babcock representing American Farm Bureau Insurance Services, Inc. (AFBIS) was invited into Executive Session and asked to leave the Executive Session at 2:15 p.m.

Byron Anderson left Executive Session at 2:00 p.m. and returned at 2:08 p.m.

At 2:19 p.m., David Bossman, Peter Griffin and Barbara Leach representing American Agri-Business Company (AABIC) were invited into Executive Session and asked to leave at 3:37 p.m.

The Executive Session adjourned at 3:37 p.m., to reconvene in Executive Session at 4:00 p.m.

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Byron Anderson, Secretary.

Also present were Butch May and Floyd Gaibler, FFAS; David Grahn, and Kim Arrigo, OGC; Joe Glauber, OCE; Darrell Swanson, OIG; Alan Ott, Tim Witt, Nelson Maurice, Jim Callan, Raegan Weber, Tom Worth, Vondie O’Conner, Eric Henry, Leiann Nelson, Bob Vollmert, Bill Zillman, Anjie Minnick, and Shannon Peretic, RMA.

At 5:12 p.m., Michael Duff and David Bickerstaff representing AgriServices, L.L.C. were invited into Executive Session and asked to leave at 5:53 p.m.

The Executive Session adjourned at 6:04 p.m., to reconvene on August 1, 2003.

The meeting was called to order at 10:05 a.m., in Executive Session.

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

Also present were Floyd Gaibler and Butch May, FFAS; David Grahn, Don Brittenham and Kim Arrigo, OGC; Joe Glauber, OCE;
At 10:05 a.m., Russell Redding representing Pennsylvania Department of Agriculture was invited into Executive Session and asked to leave at 12:15 p.m.

J.B. Penn, Under Secretary FFAS, and Board member arrived at the meeting at 10:55 a.m. left at 11:45 a.m.

Byron Anderson left meeting at 11:47 a.m. returned at 11:50 a.m.

The Executive Session adjourned at 12:30 p.m.

The meeting was called to order in Open Session at 1:13 p.m.

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

Also present were Floyd Gaibler, FFAS; David Grahn, Kim Arrigo, and Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Anne Jenkins, Ann Jorgensen, Alan Ott, Tim Witt, Tim Hoffmann, Nelson Maurice, Raegan Weber, Jim Callan, Eric Edgington, Diana Moslak, Tom Worth, Vondie O’Conner, Craig Witt, Lee Ziegler, Bill Zillman, Anjie Minnick, Shannon Peretic and Michael Hand, RMA; Sarah Tyree, AgriLogic; Tom Zacharias, Dallas R. Smith, and F. Schnapp, NCIS; Jane Shey, CIRB; Lynn Daft, Promar International: Barbara Leach, Government Relations Policy Advisor; and Ken Ackerman, Olsson, Frank and Weeda, P.C.

David Grahn read a recitation to all members of the Board.

Russell Redding

J.B. Penn

Byron Anderson

Adjourn Executive Session

Call to Order Open Session

Present

Recitation
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 July 1, 2003.

The motion carried. (Exhibit No. 2169)

A motion was made and seconded to adopt the following
resolution:

WHEREAS, Section 505(e) of the Federal Crop Insurance Act
(Act) requires the Board to enter into contracts 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 by persons
experienced as actuaries and in underwriting, NOW THEREFORE BE IT
RESOLVED: That the Manager of the Federal Crop Insurance
Corporation be directed to perform the activities necessary to enter into
contracts with persons or entities on the attached list of proposed expert
reviewers.

The motion carried. (Board Memorandum No. 720; Exhibit
No.2185.)

A motion was made and seconded to adopt the following
resolution:

RESOLVED, That Docket No. CI-AGR-Lite-03-01, Exhibit No.
2173, authorizing expansion of the Adjusted Gross Revenue-Lite (AGR-
Lite) plan of insurance to: (1) Connecticut-all counties; (2) Delaware-all
counties; (3) Maine-all counties; (4) Maryland (except Baltimore City),
Vermont, West Virginia, and New York (52 out of 62 counties) in the
proposed counties provided that an appropriate reference county has been
identified, as approved by the Manager of the Federal Crop Insurance
Corporation (FCIC) or premium rates are provided by the Pennsylvania
Department of Agriculture for such counties that FCIC has determined are
actuarially appropriate; (5) Massachusetts-all counties; (6) New
Hampshire-all counties; (7) New Jersey-all counties except Hudson
County; and (8) Rhode Island-all counties; and the following policy
changes to be applicable to all of AGR-Lite: (a) allowing revenue from
commodities to be grouped to qualify for higher coverage levels, under
procedures determined acceptable to FCIC; (b) allowing a 75/65 coverage
level/payment rate option for one commodity farms; (c) adding language
pertaining to organic practices using Common Crop Insurance Policy
Basic Provision language; and (d) move from a $100,000 liability limit to
$250,000, with reinsurance, risk subsidy, and administrative and operating
subsidy in amounts and under such terms and conditions as determined

Dispense with
Reading –
Minutes Accepted

Approve an
Expanded List of
Reviewers and to
Enter into Contracts
for Reviews by
Persons
Experienced as
Actuaries and in
Underwriting

Adjusted Gross
Revenue (AGR)-
Lite Plan of
Insurance
Expansion and
Program Changes
appropriate by the Board beginning with the 2004 crop year, as authorized under section 508(h) 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.

The motion carried. (Board Memorandum No. 708; Exhibit No. 2173.)

A motion was made and seconded to adopt the following resolution:

RESOLVED, That Docket No. CI-LGM-03-01, Exhibit No. 2174, authorizing changes to the Livestock Gross Margin plan of insurance of: (1) to offer LGM sales monthly instead of bi-annually; (2) change the insurance period from six months after sales closing date to a five-month period that begins one calendar month and one day after the sales closing date; (3) move the price discovery period such that it ends three business days before the sales closing date and the sales period is reduced to the two business days after the price discovery period; (4) to add a management practice for Segregated Early Weaned (SEW) pigs, with reinsurance, risk subsidy with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Board beginning not earlier than February 2004, as authorized under sections 508(h) and 523(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.

The motion carried. (Board Memorandum No. 709; Exhibit No. 2174.)

A motion was made and seconded to adopt the following resolution:

RESOLVED, That Docket No. CI-BL-03-01, authorizing the Federal Crop Insurance Corporation to expand the pilot Blueberry Crop Insurance Program into the following Michigan counties: Allegan, Berrien, Muskegon; Oregon: Benton, Clackamas, Columbia, Marion, Washington, Yamhill; and Washington counties: Clark, Lewis, Pierce, Skagit, Thurston, Whatcom, effective for the 2004 and succeeding crop years, this expansion is hereby approved AND BE IT FURTHER RESOLVED, That the Board delegates authority to the Manager to approve final pilot program policy terms and procedural requirements.
The motion carried. (Board Memorandum No. 710; Exhibit No. 2175.)

A motion was made and seconded to adopt the following resolution:

RESOLVED, That Docket No. CI-PECAN-03-01, authorizing the Federal Crop Insurance Corporation to expand the pilot Pecan Revenue crop insurance program into Baldwin and Mobile counties in Alabama effective for the 2004 and succeeding crop years, is hereby approved.

The motion carried. (Board Memorandum No. 711; Exhibit No. 2176.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, 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: 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 the amendments to the Coffee Production and Tree Plan of Insurance prior to Board action; 2) the amount of reimbursement authorized under section 522(b) of the Act will be limited to the costs related to the amendments proposed or required by the Corporation; and 3) the attached task order statement of work, as amended by the Risk Management Agency in response to the concerns of the Board, be used to execute the contracts.

The motion was defeated.
A motion was made to adopt resolution to provide the submitter notice of intent to disapprove the submission.

The Open Session adjourned at 2:00 p.m., to reconvene in Executive Session at 2:02 p.m.

J.B. Penn, Under Secretary FFAS and Board member arrived at 2:30 p.m.

The Executive Session adjourned at 2:48 p.m. to reconvene in Open Session at 2:54 p.m.

A motion was made and seconded to withdraw the motion to provide the submitter notice of intent to disapprove the submission.

A motion was made and seconded to adopt the following resolution:

WHEREAS, 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: 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 the Coffee Production and Tree Plan of Insurance prior to Board action; 2) the amount of reimbursement authorized under section 522(b) of the Act will be limited to the costs related to the amendments proposed or required by the Corporation; and 3) the attached task order statement of work, as amended by the Risk Management Agency in response to the concerns of the Board, be used to execute the contracts.

The motion carried. (Board Memorandum No. 712; Exhibit No. 2177.)

A motion was made and seconded to adopt the following resolution:

Adjourn
Open Session
Reconvene
Executive Session

Resumption
Open Session
Reconvene
Executive Session

J.B. Penn

Adjourn
Executive Session
Reconvene
Open Session

Resolution to
Approve Reviewers
and Alternates,
Approve the Task
Order Statement of
Work for Review of
the Coffee
Production and Tree
Plan of Insurance,
and Approve
Execution of the
Contract
WHEREAS, 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: 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 the Corn Silage Price Election Enhancement Endorsement Option prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 713; Exhibit No. 2178.)

Chairman Keith Collins informed the Board of Department of Agriculture, Pennsylvania’s withdrawal of the Fresh Market Sweet Corn Coverage Enhancement Endorsement Option submitted to the Board on August 1, 2003. (Exhibit No. 2179.) No action was required by the Board.

Chairman Keith Collins informed the Board of Applied Analytics Group’s withdrawal of the Livestock Disease Coverage Plan of Insurance submitted to the Board on August 1, 2003. (Exhibit No. 2180.) No action was required by the Board.

A motion was made and seconded to adopt the following resolution:

RESOLVED, That Docket No. CI-LRP-Swine-03-2, Exhibit No. 2181, authorizing implementation of the expansion of the Livestock Risk Protection plan of insurance for Swine into Illinois, Indiana, Kansas, Minnesota, Nebraska, Nevada, Oklahoma, Texas, Utah, and Wyoming, beginning in the 2004 crop year, with reinsurance, risk subsidy in an amount equal to 13 percent of the net book premium, and administrative and operating subsidy in an amount equal to 24.5 percent of the net book premium, as authorized under section 508(h) 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.
The motion carried. (Board Memorandum No. 716; Exhibit No. 2181.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, 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: 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 the Revised Livestock Risk Protection Plans of Insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 717; Exhibit No. 2182.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, 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: 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 the Group Risk Income Protection – Harvest Revenue Option prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 718; Exhibit No. 2183.)

A motion was made and seconded to adopt the following resolution:
WHEREAS, 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: 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 the Whole Farm Revenue Plan of Insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 719; Exhibit No. 2184.)

There being no further business to come before the Board, the meeting adjourned at 2:10 p.m., to meet again in September, 2003 in Washington, D.C.

August 29, 2003

/signed/
Byron Anderson, Secretary
Federal Crop Insurance Corporation