A meeting of the Board of Directors (Board) of the Federal Crop Insurance Corporation (FCIC) was held on September 21-22, 2011, in Room G28D, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

The meeting was called to order at 1:00 pm on September 21, 2011 in open session.

The Board then immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of products under section 508(h) of the Federal Crop Insurance Act (FCIA).

The open session of the Board reconvened at 1:30 pm on September 22, 2011.

Kim Arrigo 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.

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist and Chairperson, USDA; Susan Rogers, James Nickel, Mike Pickens (phone), Ellen Linderman, Luis Monterde, and Maggie Goode, constituting a statutory quorum; and Bill Murphy, Manager, and Cindy Spoor, Secretary, FCIC.

Also present were Kim Arrigo and Alicia Peden, Office of the General Counsel (OGC); Barbara Leach, Associate Administrator, Tim Witt, Tim Hoffman, Tom Worth, Bill Bing, Matt Kamphoefner, Mary Alonzo, Margo Erny, Matt Kamphoefner, Leianne Nelson, Pat Engel, Chad Sheridan, Tim Davis, Rachel Johnson and Ron Lundine of RMA; Don Armstrong, Lewayne Jansonius and Rob Cerda, Crop Insurance Services; Ken Ackerman, Olsen, Frank and Weeda; David Bossman and Clifton Parker, AgWin; Ken Harrison; Jim Driscoll and Alex Offerdahl, Watts and Assoc.; Clif Parks and Bill Smith, Agrilogic and Adin Hestor, Olive Growers.

Chairman Glauber asked Bill Murphy, FCIC Manager for the Manager’s Report. Mr. Murphy stated that the Manager’s Report is available on line at www.rma.usda.gov. and noted that; the Acreage Crop Reporting Streamlining Initiative(ACRSI) continues to make progress towards providing streamlined and self-service solutions
to producers for reporting program data; the Acquisition Services Directorate awarded a new contract for the Nursery Crop Insurance Program Evaluation and Recommended Improvement; RMA is closely monitoring available funding for all livestock insurance plans and making adjustments, as necessary, to distribute available funding equitably; and that several areas in the upper Midwest region had experienced early frost.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager’s Report. (Exhibit 4045)

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 August 18, 2011.

The motion carried. (Exhibit 4046)

Next, the Board took up Docket No. - CI Reimbursement Request – Specialty Trait Soybeans Plan of Insurance 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Specialty Trait Soybeans Plan of Insurance 09-22-11 01, Exhibit 4047, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of $36,168.77 for the Specialty Trait Soybeans program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4047)

The Board then considered Docket No. CI - Reimbursement Request – Cottonseed Price Endorsement Plan of Insurance 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI - Reimbursement Request – Cottonseed Price Endorsement Plan of Insurance 09-22-11 01, Exhibit 4048 as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of first year

Approved

Reimbursement Request – Specialty Trait Soybeans

Approved

Reimbursement Request – Cottonseed Price Endorsement

Approved

Reimbursement Request – Cottonseed Price Endorsement
maintenance costs in the amount of $78,832.29 for the Cottonseed Price Endorsement program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4048)

The Board next considered Docket No. - CI Reimbursement Request – Popcorn Revenue Plan of Insurance 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Popcorn Revenue Plan of Insurance 09-22-11 01, Exhibit 4049, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of $106,002.70 for the Popcorn Revenue program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act..

The Board voted to approve the resolution. (Exhibit 4049)

Chairman Glauber brought to the floor Docket No. - CI Reimbursement Request – Fresh Market Beans Plan of Insurance 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Fresh Market Beans Plan of Insurance 09-22-11 01, Exhibit 4050, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of second year maintenance costs in the amount of $19,113.19 for the FMB program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4050)

The Board then considered Docket No. CI - Reimbursement Request – Group Risk Plan for Oysters Plan of Insurance 09-22-11 01.
The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI - Reimbursement Request – Group Risk Plan for Oysters Plan of Insurance 09-22-11 01, Exhibit 4051, as well as other material that were submitted to the Board on this matter, the Board hereby approves reimbursement of second year maintenance costs in the amount of $33,939.93 for the GRP-Oysters program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4051)

The Board next considered Docket No. CI Reimbursement Request – Group Risk Plan-Sugarcane Plan of Insurance 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Group Risk Plan-Sugarcane Plan of Insurance 09-22-11 01, Exhibit 4052, as well as other materials that were submitted to the Board on this matter, the Board hereby approves reimbursement of third year maintenance costs in the amount of $9,116.63 for the GRP-Sugarcane program as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4052)

Docket No. CI Reimbursement Request – Louisiana Sweet Potato Plan of Insurance 09-22-11 01 was the next item on the agenda.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI Reimbursement Request – Louisiana Sweet Potato Plan of Insurance 09-22-11 01, Exhibit 4053, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of $319,838.82 for the Louisiana Sweet Potato program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4053)
Docket No. - CI Reimbursement Request – Apiculture Plan of Insurance 09-22-11 01 was brought before the Board.

Chairman Glauber offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Apiculture Plan of Insurance 09-22-11 01, Exhibit 4054, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of third year maintenance costs in the amount of $244,915.25 for the Apiculture program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4054)

The Board then considered Docket No. - CI Reimbursement Request – Tobacco Quality-Price Plan of Insurance 09-22-11 01.

Chairman Glauber offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Tobacco Quality-Price Plan of Insurance 09-22-11 01, Exhibit 4055, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board reimbursement in the amount of $319,238.57 for the Tobacco Quality-Price program, as payment in full for work completed and turning the policy over to the Risk Management Agency and any additional work that may be required to transition the policy, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4055)

Docket No. - CI Reimbursement Request – Trend Adjusted Actual Production History Yield Endorsement Plan of Insurance 09-22-11 01 was brought before the Board.

Chair Glauber offered the following resolution which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. - CI Reimbursement Request – Trend Adjusted Actual Production History Yield Endorsement Plan of Insurance 09-22-11 01, Exhibit 4056 as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board reimbursement in the amount of $319,238.57 for the Trend Adjusted Actual Production History Yield Endorsement program, as payment in full for work completed and turning the policy over to the Risk Management Agency and any additional work that may be required to transition the policy, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4056)
Production History Yield Endorsement Plan of Insurance 09-22-11 01, Exhibit 4056, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Board adjusted reimbursement of research and development costs in the amount of $72,730.58 for the Trend-APH program, using established guidelines in the Approved Procedures for Determining Reasonableness of Reimbursement Expenses for 508(h) and Concept Proposal Submissions as authorized under section 522(b) of the Federal Crop Insurance Act.

The Board voted to approve the resolution. (Exhibit 4056)

Next, the Board took up Docket No. CI – Section 522(b) Concept Proposal 122 09-22-11 03.

The Chair offered the following resolution, which was seconded, for adoption:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) provides the Board with the authority to pay an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed into a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Section 522(b) Concept Proposal 122 09-22-11 03, Exhibit 4057, the Board approves the advance payment of $249,936. By accepting the advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act to the Board in the October 2013 submission period.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitter. The submitter will be required to prove that all costs are necessary and reasonable.

There being no discussion, the Board voted to disapprove the resolution. (Exhibit 4057)

The Board then considered Docket No. CI-Section 508(h) Confidential Submission 0024 09-22-11 02.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0024 09-22-11 02, Exhibit 4058, as well as other materials that were submitted to the
Board on this matter, the Board hereby approves Confidential Submission 0024, subject to the conditions stated in the Executive Session, 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 the Board directs the Risk Management Agency to make such changes as necessary to existing programs to make them conform to the above stated Docket. 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 Board voted to approve the resolution. (Exhibit 4058)

Confidential Submission 0024 refers to a Rainfall Index Annual Forage plan of insurance submitted by AgForce Inc. that will insure annual forage production using the same rainfall index, technology, and rating methods that are currently being used for the Rainfall Index, Pasture, Rangeland, Forage (RI-PRF) and Apiculture (API) pilot programs.

The Board next considered Docket No. CI-Section 508(h) Confidential Submission 0028 09-22-11 02.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0028 09-22-11 02, Exhibit 4059, as well as other material that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0028 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.

The Board voted to approve the resolution. (Exhibit 4059)

Confidential Submission 0028 refers to an Olive-Actual Production History (Olive-APH) plan of insurance submitted by The California Olive Growers Council.

Chairman Glauber brought to the floor Docket No. CI-Section 508(h) Confidential Submission 0030 09-22-11 02.
The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0030 09-22-11 02, Exhibit 4060, as well as other material that were submitted to the Board on this matter, the Board hereby conditionally approves Confidential Submission 0030 on the basis that the submitter complies with all requirements imposed by the Board and the Risk Management Agency (within a reasonable time period) 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.

The Board voted to approve the resolution. (Exhibit 4060)

Confidential Submission 0030 refers to a Camelina-Actual Production History (Camelina-APH) plan of insurance submitted by Great Plains Oil and Exploration, LLC and Crop Insurance Systems, Inc.

The Board then considered Docket No. CI- Section 508(h) Popcorn Revenue Coverage Submission 0019 09-22-11 01.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI- Section 508(h) Popcorn Revenue Coverage Submission 0019 09-22-11 01, Exhibit 4062, as well as other material that were submitted to the Board on this matter, the Board hereby approves the expansion of the Popcorn Revenue Coverage Plan of Insurance, beginning with the crop year the Manager determines is practicable in all counties that offer yield protection for popcorn 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, 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 Board voted to approve the resolution. (Exhibit 4062)

The Board next considered Docket No. CI- Actual Production

Approved

Popcorn Revenue Coverage Submission 0019

Approved

Actual Production
History Pistachio Pilot Crop Insurance Program 09-22-11 03.

The Chair offered the following resolution, which was seconded, for adoption:

RESOLVED, that pursuant to the information contained in Docket No. CI- Actual Production History Pistachio Pilot Crop Insurance Program 09-22-11 03, Exhibit 4061, as well as other material submitted to the Board on this matter, the APH Pistachio Pilot Crop Insurance Program beginning with the first crop year the manager determines is practicable with reinsurance, administrative and operating subsidy and producer subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 523 of the Federal Crop Insurance Act, is hereby approved in the proposed counties. 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 Board voted to approve the resolution. (Exhibit 4061)

Chairman Glauber then read a Sense of the Board statement:

Section 508(l) and Section 523(a)(2) of the Federal Crop Insurance Act precludes the Federal Crop Insurance Corporation Board (Board) from approving any policy or plan of insurance if insurance for the specific risk involved is generally available from the private insurance market. Based on its review of the weather related policies currently available in the market and the continuing expansion of the products available, the Board has determined that insurance for weather related perils is generally available from the private insurance market. Therefore, it is the sense of the Board that under its current authority, it will no longer accept any new submissions involving weather related perils. (Exhibit 4063)

There being no further business to come before the Board the meeting adjourned to meet again, November 15-17, 2011 in Washington, DC.

Signed:

September 22, 2011

Cindy Spoor, Secretary
Federal Crop Insurance Corporation