



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

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DATE: June 23, 2014

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Brandon C. Willis /signed/
Manager

SUBJECT: Manager's Report
Exhibit No. 4203

This document is the Manager's Report to the Federal Crop Insurance Corporation Board of Directors (FCIC) meeting on June 24.

Farm Bill Work

Implementation and Training on Farm Bill Initiatives: RMA continues to work on implementation for the Supplemental Coverage Option (SCO), Stacked Income Protection (STAX), and the Whole-Farm Revenue Protection (WFRP) insurance products. Work is progressing on finalizing policy materials and we are working to ensure that our stakeholders have adequate educational materials on these new programs. In addition, steps are being taken to ensure that computer systems are ready to accommodate the new changes.

RMA conducted training sessions for all Approved Insurance Providers and Regional Offices on June 17, 2014, and will conduct a second session on July 22-23. Topics covered in June were: SCO, the Interim Rule, and the coordination of Livestock Gross Margin Dairy with the new Farm Service Agency Margin Protection Plan for Dairy. The training in July will coincide with the National Crop Insurance Services Fall Update Conference and will cover several topics including: WFRP, STAX and the Interim Rule implementing Farm Bill program changes.

Research, Contracts, Studies, and Workgroups

Limited Irrigation: RMA recently received the first contract deliverable focusing on data collection related to insurance of irrigated crops and recommending policy and procedural modifications to appropriately address changes in the amount of irrigation water applied to irrigated acreage. RMA will be assessing the recommendations to determine key next steps to be taken regarding this initiative.

2014 Organic Survey: In cooperation with NASS, and at the request of organic industry organizations, RMA was able to expand the organic survey questionnaire for the 2014 organic survey to include additional questions related to organic farming. Along with

questions about acreage, production, and prices received for organic production, questions about production expenses, organic practices used, questions specific to each operation about transitional acreage were added. In addition, the survey is now mandatory resulting in higher participation. This survey will now benefit not only RMA for their organic price data needs, but it will also address the needs and requests of other organic data users both within and outside of the organic industry.

Proposed Rules

Pears: The Pear Crop Insurance Provisions were published as a proposed rule in the Federal Register on April 11, 2014. RMA received and addressed 107 comments. The final rule is currently in concurrence and will be forwarded to the program staff, and the Office of General Council for review and publication. The rule amends the pear crop provisions to improve coverage available to pear producers, clarify existing policy provisions to better meet the needs of insured producers, and to reduce vulnerability to program fraud, waste, and abuse. The new provisions are expected to be effective for 2015.

Final Rules

Forage Seed: The final rule to convert the forage seed pilot program to a permanent program published in the Federal Register on May 29, 2014 and will be effective for the 2015 and succeeding crop years. The new rule allows hybrid forage to be insured and allows other forage seed crops to be insured if allowed in the actuarial documents. Policy improvements to better meet the needs of insured producers and reduce vulnerability to program fraud, waste, and abuse were also made in the new policy.

Data and Systems

Acreage and Crop Reporting Streamlining Initiative (ACRSI): The ACRSI Project Lean Six Sigma Team continues work to achieve the Farm Bill requirement to:

- Demonstrate substantial progress towards the development of a streamlined acreage reporting process for producers participating in USDA programs by September 30, 2014; and
- Provide the option of one-stop acreage reporting for producers participating in USDA programs by September 30, 2015.

Summary of Business Beta (SOB): Product Management has developed and publically released a new Summary of Business application, which shows aggregated data on FCIC's book of business. The new application has an all new user interface allowing efficient navigation, is more user-friendly and intuitive than the previous SOB, and provides access to common reports. The application replicates all functionality of the previous SOB and additional development is underway to expand SOB capability with added features including additional ways to look at the data.