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 August 12, 2015 in Washington, DC. The public was invited to attend the open session portion of the meeting.	Meeting August 12, 2015
The meeting was called to order at 9:00 am, August 12, 2015, in Room 6610, South Agriculture Building, U.S. Department of Agriculture, Washington, DC.	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 at 2:45 pm on August 12, 2015.	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
Chairman Robert Johansson, Acting Chief Economist, USDA requested Board members to introduce themselves. Present were; James Bardenhagen, Iris Saenz, John Finston, Margaret Goode, Ellen Linderman, and Kenneth Sneed and Brandon Willis, Manager, FCIC, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.	Present
Also present were Ron Lundine, Tom Worth, Leiann Nelson, Tara Ponds, Tammy Jackson, Richard Flournoy and Richard Flournoy, RMA; David Grahn, Office of the General Counsel; Clif Parks and Bill Smith, AgriLogic Consulting, LLC; Rob Cerda, Crop Insurance Systems, Inc. Alex Offerdahl and Jim Driscoll, Watts and Associates, and Ken Ackerman, Olson, Frank and Weeda Associates. Present by phone were Bill Bing, Tim Witt, Tim Hoffmann and Lane Webb, RMA and Bill Smith, AgriLogic Consulting, LLC.	

Chairman Johansson asked Brandon Willis for the Manager's Report. Mr. Willis stated that the Manager's Report is available on-line at www.rma.usda.gov.	Manager's Report
Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4289)	Dispense with Reading Report
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 May 6-7, 2015.	Dispense with Reading Minutes
The motion carried. (Exhibits 4290)	Approved
Chairman Johansson offered the following resolution Docket No. CI–Section 522(b) Concept Proposal 137 08-12-15 03, which was seconded:	Concept Proposal 137

> WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to consider paying an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed as a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT
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> RESOLVED: That pursuant to the information contained in Docket No. CI–Section 522(b) Concept Proposal 137 08-12-15 03, Exhibit 4291, the Board approves the advance payment of $100,000 for Concept Proposal 137 as authorized under section 522(b) of the Federal Crop Insurance Act.
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> 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 submitters. The submitters will be required to prove that all costs are necessary and reasonable.
>
> 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 April 2016 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4291)	Approved

The Chairman then offered the following resolution for Docket No. CI – Section 522(b) Concept Proposal 138 08-12-15 02 which was seconded:

Concept Proposal 138

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to consider paying an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed in to 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 138 08-12-15 02, Exhibit 4292, the Board approves the advance payment of $70,308 for Concept Proposal 138, as authorized under section 522(b) of the Federal Crop Insurance Act.

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 approve the resolution. (Exhibit 4292)

Approved

The Chairman offered the following resolution which was seconded for Docket No. CI–Section 522(b) Concept Proposal 139 -08-12-15 01:

Concept Proposal 139

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained Docket No. CI–Section 522(b) Concept Proposal 139 -08-12-15 01, Exhibit 4293, the Board approves expert review of Concept Proposal and directs 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 Concept Proposal 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 4293)

Approved

Chairman Johansson offered the following resolution for Docket No. CI – Section 508(h) Confidential Submission 0052 08-12-15 03 which was seconded:

Confidential Submission 0052

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 0052 08-12-15 03, Exhibit 4294, the Board approves expert review for Confidential Submission 0052 and directs 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 Confidential Submission 0052 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 4294)

Approved

The Chair then offered the following resolution for Docket No. CI-Section 508(h) Olive Actual Production History Modification 08-12-15 01, which was seconded:

Olive APH Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Olive Actual Production History Modification 08-12-15 01, Exhibit 4295, as well as other material that were submitted to the Board on this matter, the Board hereby approves the user fee of .0289, to be applied as a percent of premium for the Olive-APH plan of insurance for the 2016 insurance year, 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 522(b)(4)(D) 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 4295)

Approved

Docket No. CI-Section 508(h) Texas Citrus Tree Modification 08-12-15 01 was the next action item before the Board. The Chair offered the following resolution which was seconded:

Texas Citrus Tree Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Texas Citrus Tree Modification 08-12-15 01, Exhibit 4296, as well as other material that were submitted to the Board on this matter, the Board hereby approves the user fee of .0168 to be applied as a percent of premium for the Texas Citrus Tree plan of insurance for the 2016 insurance year, 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 522(b)(4)(D) 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 4296)

Approved

The Chair then offered the following resolution for Docket No. CI-Whole Farm Revenue Protection Insurance Program Modifications 08-12-15 01 which was seconded:

Whole Farm Revenue Protection

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to approve the implementation 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- Whole Farm Revenue Protection Insurance Program Modifications 08-12-15 01, Exhibit 4297, the Board approves modifications to the Whole Farm Revenue Protection (WRFP) plan of insurance including:

(1) Changing the limit for animals and animal products to any

amount up to $1 million of expected revenue (removing the 35 percent limit);
(2) Changing the limit for greenhouse and nursery commodities to any amount up to $1 million of expected revenue (removing the 35 percent limit);
(3) Increasing the expanding operations limit to 35 percent;
(4) Capping the indexed expense factor at the indexed revenue factor and making indexing a producer choice for qualified producers;
(5) Expanding eligibility to include Beginning Farmers and Ranchers who have three years of Federal farm tax returns and a lag year of farm experience,
(6) Allowing eligibility for producers who have a missing historic year of taxes due to a producer physically unable to farm for one year by utilizing the lag historic year in the history, and,
(7) Allowing tax exempt entities such as some tribal entities, to utilize WFRP when appropriate third-party records are available,

beginning in the 2016 insurance year, and directs that the Manager of the Corporation be authorized to take such action as necessary to modify the Whole Farm Revenue Protection plan of insurance.

There being no discussion the Board voted to approve the resolution. (Exhibit 4297)

Approved

Chairman Johansson then read the following statement (Exhibit 4298):

Sense of the Board

The Risk Management Agency (RMA) has published regulations and the Federal Crop Insurance Corporation Board of Directors (Board) has issued procedures on the costs that it is willing to reimburse for concept proposals and submissions. Those regulations are published at 7 C.F.R. part 400, subpart V, and on RMA's website at rma.usda.gov. However, the Board continues to receive concept proposals and submissions where the costs exceed those authourized.

Therefore, it is the sense of the Board that it will no longer accept for consideration any concept proposal or submission where any of the costs included exceed the amounts authorized in the regulations or Board procedures.

There being no further business to come before the Board voted to adjourn and to meet again September 15-17, 2015 * in Kansas City, MO.

Adjourn

August 12, 2015 _____/signed/_____

Cindy Spoor, Secretary
Federal Crop Insurance Corporation

*It was later determined that the Board would meet September 15-16, 2015 in Kansas City, MO.