



August 18, 2016

United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

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Avenue, SW
Stop 0801
Washington, DC
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TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Brandon C. Willis /signed/
Manager

SUBJECT: Manager's Report
Exhibit No. 4351

This is the Manager's Report to the Federal Crop Insurance Corporation Board of Directors (FCIC) meeting on August 18, 2016.

Research, Contracts, Studies, and Workgroups

Garlic: The Risk Management Agency (RMA) is developing a statement of work to solicit a contract for the research and development of a crop insurance product for garlic. There have been numerous written agreement requests for garlic coverage, as it is specifically excluded from the onion crop provisions. Garlic is primarily produced in California.

Final Rules

Texas Citrus Crop Insurance Provisions: The rule amends the Texas Citrus Fruit Crop Insurance Provisions to better meet the needs of policyholders by providing coverage for loss of production due to insect and plant disease. Changes were also made to reduce vulnerabilities in the policy by requiring producers to leave representative samples when losses occur and to exclude citrus greening from the covered causes of loss. The new policy also includes modified fruit classifications and provides new acreage reporting dates that align this policy with the Acreage and Crop Reporting Streamlining Initiative. A total of 26 comments were received from four commenters. The final rule was published June 13, 2016.

Common Crop Insurance Regulations Basic Provisions (Double Cropping and Practical to Replant), Final Rule with Comments: These changes provide greater flexibility in determining double crop eligibility when new acreage is acquired, as well as, revise the definition of "practical to replant" to provide a specific deadline for when replanting of a crop is considered practical, while still providing necessary flexibility and allowances for adverse weather conditions. This rule provides policy changes in response to stakeholder input and clarifies existing policy provisions to better meet the needs of policyholders. The final rule was published June 22, 2016.

General Administrative Regulations; Catastrophic Risk Protection Endorsement; Area Risk Protection Insurance Regulations, Basic Provisions, (2014 Farm Bill)

Final Rule: The final rule was published June 30, 2016. This rule revised provisions affected by changes mandated by the Agricultural Act of 2014. Previously, the changes were implemented with an interim rule, which was published on July 1, 2014.

General Administrative Regulations; Subpart V - Submission of Policies, Provisions of Policies and Rates of Premium, Final Rule: This rule makes changes to the 508(h) submission process, including providing priorities for the Board and enhancing marketability assessments of policies. The final rule was published on August 12, 2016.

Drought and Water Issues

Michigan Tart Cherries, Diverted Acreage and Crop Insurance: Fruit crops in northern Michigan were impacted by a significant hailstorm on July 8. Apple, peach and cherry crops in the region were all impacted. The large projected tart cherry crop had triggered restrictions on the crop. On diverted acreage, crop insurance companies have the option to accept the Cherry Industry Administrative Board (CIAB) assessment of marketable tart cherries or complete their own appraisal. Growers had voiced concern on the diverted value as they may only receive \$0.10 to \$0.15 per pound. Informational Memorandum (IS-16-002) was issued on July 29, 2016, to let growers know how diversion certificates affect crop insurance. RMA will be working with the Michigan cherry industry to look at whether this is the most appropriate way to capture diversion value.

Whole-Farm Revenue Pilot Program

Administrator Traveled to Massachusetts and Maine: On July 18-20, 2016, the RMA Administrator, along with representatives from Insurance Services and Product Management, visited the northern New England states of Massachusetts and Maine. During this visit, the participants toured organic farms and fresh market stands and attended the Potato and Small Grains Twilight Meeting in Presque Isle, Maine, and the Wild Blueberry Summer Field Day and Meeting held at the Wild Blueberry Research and Extension Facility, Blueberry Hill Farm, Jonesboro, Maine. The multi-state tour also included town hall meetings conducted by the RMA Administrator in both Massachusetts and Maine. Each meeting focused on current issues with crop insurance, Whole-Farm Revenue Protection, and included brainstorming sessions with attendees on how to better improve crop insurance in those areas.

Program Changes/Issues

Manager's Bulletin MGR-16-006: RMA issued MGR-16-006 to announce the fall crops program expansion into 36 counties for the 2017 crop year. It was published on the RMA website on July 15, 2016.

Personnel Announcements

None