

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 August 19-20, 2020, via videoconference and phone. The public was invited to attend the open session portion of the meeting.

Meeting
August 19-20,
2020

The meeting was called to order at 10:15 am on August 19, 2020 and 9:00 am on August 20, 2020.

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 section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened on August 20, 2020, at 4:45 pm.

Reconvene Open
Session

Sam Pogue 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

The Chairman requested Board members to introduce themselves. Present by phone were Rob Johansson, Chief Economist, James Bardenhagen, Kenneth Sneed, John Finston, Iris Saenz, Michael Clemens, Rickey Bearden constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Also present by phone were Richard Flournoy, Shaun Collins, David Zaroni, Mike Ciliege, Francie Tolle, Andrew Kowalski, Chandra Mason, Cody McCann, Lane Webb, Cody Lovercamp, Tom Worth and Keith Gray, RMA; Maureen James and Sam Pogue, Office of the General Counsel; Clif Parks, Nichole Gueck, and Kim Harris, AgriLogic, LLC; Deborah Marsh, Sheep Venture Co.; Dave Paul, Bill Wilson, Jim Korin, and Nathan Baker, NAU Country; Alex Offerdahl, Watts and Associates; Ken Ackerman,

OFW Law; Philip Heilberg and Sid Jha, Arbol, Inc; Josh Woodward, Ag Analytics; Marvin Bozick, Bozick LLC; Sherry Grimm and Ruth Saunders, OMB; Brandon Willis, Transit Insurance; Pete Gray and Patrick Gregory .

Chairman Johansson asked Chief of Staff, Keith Gray for the Manager's Report. Mr. Gray stated that the [Manager's Report](#) is available on line.

Manager's Report

Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4618)

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 Board Meetings held on May 21 and June 23, 2020, (Exhibits 4619 and 4620).

Dispense with Reading Minutes

The motion carried. (Exhibits 4619 and 4620)

The first agenda item was Docket No. CI-Section 522(b) Concept Proposal 157 08-20-20 02, which was seconded.

Concept Proposal 157

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 sufficient 508(h) submission, NOW THEREFORE BE IT RESOLVED:

That pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 157 08-20-20 02, Exhibit 4621, the Board disapproves the advance payment of research and development costs for Concept Proposal 157, based on the reasons stated in Executive Session and comments by the Risk Management Agency.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4621)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0091 Modification 08-20-20 01, which was seconded:

Confidential Submission 0091 Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0091 Modification 08-20-20 01, Exhibit 4622, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0091 Modification, beginning with the 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. NOW THEREFORE 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 4622)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 156 08-20-20 02, which was seconded:

Concept Proposal
156

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 into a complete and sufficient 508(h) submission, NOW THEREFORE BE IT RESOLVED:

That pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 156 08-20-20 02, Exhibit 4623, the Board disapproves the advance payment of research and development costs for Concept Proposal 156, based on the reasons stated in Executive Session and comments by the Risk Management Agency.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4623)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0092 08-20-20 01, which was seconded:

Confidential
Submission 0092

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0092 08-20-20 01, Exhibit 4624, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0092, beginning with the 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. NOW THEREFORE 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 4624)

Approved

The next agenda item was Docket No. CI-Section 508(h) Submission Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine Modification 08-20-20 02, which was seconded:

Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine Modification 08-20-20 02, Exhibit 4625, as well as other material submitted to the Board on this matter, the Board hereby approves 508(h) Livestock Risk Protection for Feeder Cattle, Fed Cattle, and Swine Modification, with revisions as discussed in Executive Session, beginning with the 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. NOW THEREFORE 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 4625)

Approved

Chairman Johansson offered the following resolution the Docket No. CI-Section 522(b) Concept Proposal 158 08-20-20 01, which was seconded:

522(b) Concept Proposal 158

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 158 08-20-20 01, Exhibit 4626, the Board approves expert review, with revisions as discussed in Executive Session for Concept Proposal 158, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4626) (1 member abstained)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 159 08-20-20 01, which was seconded:

Concept Proposal 159

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 159 08-20-20 01, Exhibit 4627, the Board approves expert review for Concept Proposal 159, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4627) (1 member abstained)

Approved

Chairman Johansson offered the following resolution Docket No. CI-Section 508(h) Confidential Submission 0093 Modification 08-20-20 01, which was seconded:

Confidential
Submission 0093
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0093 Modification 08-20-20 01, Exhibit 4628, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0093 Modification, beginning with the 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. NOW THEREFORE 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 4628) (1 member abstained)

Approved

Chairman Johansson offered the following resolution Docket No. CI-Section 508(h) Confidential Submission 0094 Modification 08-20-20 01, which was seconded:

Confidential
Submission 0094
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0094 Modification 08-20-20 01, Exhibit 4629, as well as other material submitted to the Board on this matter, the Board hereby approves Confidential Submission 0094 Modification, with revisions as discussed in Executive Session, beginning with the 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.

NOW THEREFORE 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 4629) (1 member abstained)

Approved

Chairman Johansson offered the following resolution in Docket No. CI-Section 508(h) Confidential Submission 0095 08-20-20 01, which was seconded:

Confidential
Submission 0095

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 0095 08-20-20 01, Exhibit 4630, the Board approves expert review, with revisions as discussed in Executive Session for Confidential Submission 0095, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4630) (1 member abstained)

Approved

Chairman Johansson offered the following resolution for the Docket for the Whole Farm Revenue Protection Plan of Insurance 08-20-20 01, which was seconded:

Whole Farm
Revenue
Protection Plan of
Insurance

RESOLVED, that pursuant to the information contained in the Docket for the Whole Farm Revenue Protection Plan of Insurance Modification 08-20-20-01, Exhibit 4631, as well as other material submitted to the Board on this matter, the Board hereby approves the Whole Farm Revenue Protection Plan of Insurance Modification, beginning with the 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 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 4631)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section Tree Program Termination 08-20-20 01, which was seconded:

Tree Termination

RESOLVED, that pursuant to the information contained in Docket No. CI-Section Tree Program Termination 08-20-20 01, Exhibit 4632 as well as other material submitted to the Board on this matter, the Board hereby approves the termination of the RMA tree programs.

There being no discussion, one member voted to approve, and five members opposed the resolution. (Exhibit 4632)

Not Approved

The next item before the Board was the Sense of the Board.

Sense of the Board – Tree Removal

While the Board supports the continuation of Federal crop insurance policies for trees in recognition of the more comprehensive coverage that tree growers can select under that program, the Board also supports prudent use of taxpayer support. In section 733 of the Consolidated and Further Continuing Appropriations Act, 2015, Congress prohibited USDA from considering assistance received under the Tree Assistance Program administered by the Farm Service Agency (FSA) as the same loss for purposes of the prohibition on multiple benefits under the Federal crop insurance program. In light of the President's Fiscal Year 2021 Budget proposing the elimination of all Federal crop insurance policies covering trees, and to ensure prudent use of taxpayer funds, pursuant to the Board's broad authority to determine the character and necessity for its expenditures, (see 7 U.S.C. § 1506(i)), the Board directs RMA to work with FSA to examine whether the Tree Assistance Program and Federal crop insurance tree programs overcompensate tree growers for losses

