

Reporting Aflatoxin in Corn for a Harvest Loss

There have been recent reports that some areas are discovering corn that may contain levels of Aflatoxin. Please keep the following crop insurance guidelines in mind when dealing with Aflatoxin. If at any time you suspect your corn has Aflatoxin **contact your agent in order to setup a harvest loss on your policy to get grain tested in a timely manner.**

Once a loss notice has been submitted, a CRS (Crop Risk Services) adjuster will be in contact with you to discuss:

- The time frame in which aflatoxin samples must be obtained.
- Options to have grain samples obtained by the adjuster for testing.

All samples for aflatoxin must be taken within **60 days of the EOIP (end of the insurance period)**. This date will be determined on a **unit-by-unit basis**.

The end of the insurance period for each unit is the earlier of the:

- Total destruction of the insured crop
- Harvest of the insured crop
- Final adjustment of a loss on a unit
- The calendar date contained in the Crop provisions or Special Provisions for the end of the insurance period
- Abandonment of the insured crop

Options for the obtainment of grain sampling include:

- Having samples obtained from the field prior to harvest
- Authorizing you to leave RSA (Representative Sample Areas) to be sampled by the adjuster
- Having samples pulled from each load taken to elevator by:
 - A CRS adjuster
 - The elevator (if authorized by CRS). Samples must be picked up by the adjuster
- **No samples can be obtained once production has entered storage.**
 - This is due to aflatoxin having the potential to increase in storage.

Samples obtained by the adjuster will then be sent to a recognized disinterested testing facility (approved by CRS), to have an aflatoxin test completed. **The insured is responsible for the cost of all aflatoxin sample testing.**

Settlement of Aflatoxin Harvest Claims

Once grain has been sampled for aflatoxin per policy requirements, there are several factors that determine the post-quality production to count for your grain. These factors include:

- Level of Aflatoxin detected
- Whether production was transported directly from field or put in on-farm storage
- Date production is sold
- Manner in which the grain is utilized after harvest

Types of Quality Factors for Settlement

RIV (Reduction in Value) is determined by the sum of all discounts applied by the buyer due to all insurable quality deficiencies and that value divided by the LMP (local market price) on date of settlement. *Aflatoxin level must exceed 20.1 ppb to be eligible for RIV.*

Example of RIV:

Local Market Price: \$3.50 Aflatoxin Discount \$1.00 Test Weight Discount: \$0.08

Price Received for Aflatoxin Damaged Corn: \$2.42 (\$3.50 - \$1.00 - \$0.08)

RIV to applied to production to count= .691 ($\$2.42(\text{Price Received})/\$3.50(\text{LMP})$)

Assuming you had 740 bushels production to count it would be adjusted for quality as follows:

740 bushels * .691 Quality Factor= 511.3 bushels post-quality adjusted production to count

DF (Discount Factor) Chart: When used the discount factor below is subtracted from 1 and allows you to come up with a quality factor to be applied to the production to count.

Aflatoxin Range	Discount Factor
0.1-20.0 ppb	.000
20.1-50.0 ppb	.100
50.1-100 ppb	.200
100.1-200.0 ppb	.300
200.1-300 ppb	.400
300.1 ppb & above	See Below

Example using Discount Factor Chart:

Assume 740 bushels of production with 75 ppb aflatoxin. 75 ppb has a discount factor from the chart of .200. From this we would take 1 minus .200 to come up with a quality factor of .800 to be applied.

740 bushels * .800 Quality Factor= 592 bushels post-quality adjusted production to count

Settlement of Aflatoxin Harvest Claims *(continued)*

The calendar date for the EOIP in most areas is 12/10/2017. And the 60 days thereafter would be 2/8/2018. For example purposes these dates will be used in the example below in lieu of “calendar date for the EOIP”. Please check your applicable SPOIs to confirm this is the applicable date for your area.

Aflatoxin Level 20.1 – 300 ppb (Section C2 SPOIs)

- If production was transported directly from the field to the buyer, or transported directly from the field and put into commercial storage, without going into on farm storage &:
 - Production was sold* to a disinterested third party prior to 2/8/2018: RIV
 - Production is unsold prior to 2/8/2018 (including production in commercial storage): DF Chart in addition to DFs included in section A or B2 of SPOIs.
 - Production is unsold after 2/8/2018 (including production in commercial storage): DF Chart in additions to DFs included in section A or B3 of the SPOIs.
- If on the date of final adjustment for the unit the unsold production meets any of the following criteria your claim will be settled using the DF Chart in addition to DFs included in Section A or B2 of the SPOIs:
 - Is in on-farm storage
 - Is in commercial storage but was not transported directly from the field
 - Production was fed
 - Production was in on farm storage and has been sold
 - Production was sold to other than a disinterested third party
 - Production was utilized in any other manner
- On the date of final inspection you may elect to delay settlement of your claim up until 2/8/2018. If you sell the production during this delay your claim will be settled using the RIV, unless the production has been in on-farm storage. At any time during the delay in settlement, you may request to settle your claim for any unsold production using the applicable DFs. If the production is later sold, we will not recalculate or adjust your claim for indemnity.

Aflatoxin Level 300.1 ppb and greater (Section C3 SPOIs)

For production has an Aflatoxin level in excess of 300 ppb, a claim will not be completed until all such production is sold, fed, utilized in any other manner or destroyed. An automatic 30 day extension will be allowed for you to submit your claim for indemnity, following the date we determine production was sold, fed, utilized in any other manner, or destroyed. On the date of the final adjustment for the unit the following will quality factors will apply:

- If production was transported directly from the field to the buyer, or transported directly from the field and put into commercial storage, without going into on farm storage: RIV
- If on the date of final adjustment for the unit the unsold production meets any of the following criteria below your claim will be settled using a discount factor of .500. No other DF from section

A or B of the SPOIs will be used in addition to this discount factor

- Is in on-farm storage
 - Is in commercial storage but was not transported directly from the field
 - Production was fed
 - Production was in on farm storage and has been sold
 - Production was sold to other than a disinterested third party
 - Production was utilized in any other manner
- If production with more than 300.1 ppb Aflatoxin is destroyed in a manner acceptable to us, the DF will be 1.000.
 - If production with more than 300.1 ppb Aflatoxin is destroyed in a manner unacceptable to us, such production will not be adjusted for any quality deficiencies listed in section C.

***Sold:** Grain is considered to be sold on the date that final settlement between the buyer and seller has occurred and title of the grain has passed from the seller to the buyer

This is a brief overview and is meant to serve as a guide. All claims are subject to policy provisions. If you have specific questions relating to your area please contact your agent.