



August 23, 2011

**United States
Department of
Agriculture**

Risk
Management
Agency

Topeka
Regional Office

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TO: All Approved Insurance Providers Writing in the State of Kansas or Missouri

FROM: Rebecca Davis /s/ *Rebecca Davis*
Director, Topeka RO

Subject: Aflatoxin in Corn—Salvage Markets

BACKGROUND

Weather conditions this year have made aflatoxin a threat to this year's corn crop in Kansas and Missouri. High levels of aflatoxin may result in either a discount in price or the requirement to destroy the grain altogether.

Because aflatoxin can worsen in storage, aflatoxin losses are only insurable if the grain is tested at an approved testing facility before being moved into commercial or on-farm storage, or if the policyholder has arranged with their insurance provider to leave representative sample areas of the unharvested crop from which the adjuster can obtain samples for aflatoxin testing.

Policyholders must notify their insurance provider before harvesting and/or placing harvested grain in storage if they suspect their grain contains aflatoxin. Losses attributed to increases in the aflatoxin level while in farm storage, or that cannot be determined because proper testing was not completed, are not covered under the crop insurance policy.

ACTION

Approved Insurance Provider's (AIP) have requested a list of potential salvage markets for damaged grain. Below is a list of damaged grain buyers. This list is not complete and is provided as a guide to assist the AIP in locating salvage markets.

DeBruce, Wichita, KS, Attn: Neil Schwemmer, 800-733-8752

Diamond-O Feedyard, Butler, MO, Attn: Neale Oerky, 888-746-6885

Heartland-Frontier Trading Company, Merchandiser-Wichita, KS, 316-262-5393

Maks Bak, Ellis, KS & Wichita, KS, 800-749-4690, 785-726-3503

Northern AG Service, West Union, IA, 800-205-5751, El Reno, OK, 405-202-9783

Northwest MS Grain, LLC, Noesho Rapids, KS, Attn: Harlan Pruess, 662-902-8528



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
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Scoular Company, Various locations in Kansas and Missouri, 785-823-6301

Additional information concerning aflatoxin and other grain fungal diseases may be found at:
<http://archive.gipsa.usda.gov/pubs/mycobook.pdf>

Please contact the Topeka Regional Office if you have any further questions at:
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