



August 29, 2012

**United States
Department of
Agriculture**

Risk
Management
Agency

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TO: All Approved Insurance Providers Writing in the States of Colorado,
Kansas, Missouri, or Nebraska

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. 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's) 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's in locating salvage markets.

Gavilon Grain, Wichita, KS, Attn: Neil Schwemmer, 800-733-8752

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

Frontier Trading Company, Hutchinson, KS, 316-262-5393

Maks Bak, Ellis, KS & Wichita, KS, Attn: Don McElroy, 785-726-3503 or
316-640-3203

Northern AG Service, Kansas City, KS, 913-851-7200

Northwest MS Grain, LLC, Greenville, MS, Attn: Harlan Pruess, 662-902-8528



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And Oversees All Programs Authorized Under
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The Scoular Company, Various locations in Colorado, Kansas, Missouri and Nebraska,
Attn: Darren Antrim, 913-338-1474

Skyland Grain, Johnson City KS, various locations in southwest Kansas and southeast
Colorado, Attn: Matt Overturff or Guy Martin, 620-492-6210

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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