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Aflatoxin: Crop Insurance

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Abstract

Aflatoxin is covered under multi-peril crop insurance. The settlement is done as a deducted percentage of actual yield depending on the aflatoxin level. Producers will receive the grain after settlement.

Keywords

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Disciplines

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Aflatoxin: Crop Insurance

By Charles Hurburgh, Department of Ag and Biosystems Engineering, and Chad Hart, Department of Economics

Aflatoxin is covered under multi-peril crop insurance. The settlement is done as a deducted percentage of actual yield depending on the aflatoxin level. Producers will receive the grain after settlement.

If a claim is made, the aflatoxin level will be determined in the field, before the grain is harvested and put in storage. An adjuster will either hand harvest ears from predetermined representative locations in the field or collect samples at harvest from trucks/wagons. Strips may be left for later harvest or hand sampling, at the direction of the adjuster. Hot weather conditions can cause the levels in strips to increase beyond harvest levels. An elevator or processor can also be approved to collect and combine samples for submission to a lab, if the corn is marketed from the field. Testing must be done by lab approved by the insurance carrier, generally a disinterested third party capable of accurate mycotoxin testing. A list of labs, including the USDA-GIPSA agencies serving Iowa, is at www.iowagrains.org. The Risk Management Agency has posted a [fact sheet on aflatoxin testing for insurance purposes](#). Aflatoxin levels must be above 20 parts per billion before insurance payments are impacted.

Elevators and processors typically are not approved to do crop insurance testing for aflatoxin. [Complete USDA-RMA loss adjustment procedures](#) are available. This includes sections on the adjustment of aflatoxin losses. Speak with your insurance carrier for specific instructions.

The important points are 1) that crop insurance must be called before harvest; no settlements will be made for corn already in storage ; 2) that producers getting a settlement for aflatoxin must direct the corn to an approved use for the level present, with documentation of test results and 3) that all measurements, samples, and testing must be done under the supervision of the adjuster. Aflatoxin is an adulterant under Food and Drug Law, with specific provisions on how it should be handled, depending on determined level.

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Summary

- Accurate analysis for aflatoxin is difficult because of sampling error.
- Accurate analysis requires large samples to be fully ground for testing.
- Black light screening can be very useful if a strict protocol is followed.
- A scale-up testing process can help optimize testing programs to levels required by specific markets.
- The best sample of any large lot is one containing portions of every subplot.
- Marketing corn with known levels of aflatoxin in excess of the 20 ppb action level requires clear documentation.
- Aflatoxin is covered by multi-peril crop insurance with specific stipulations regarding adjustment and marketing.

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