



United States
Department of
Agriculture

July 3, 2013

INFORMATIONAL MEMORANDUM

Farm and Foreign
Agricultural
Services

TO: All Northeast Approved Insurance Providers

Risk
Management
Agency

FROM: Scott Lucas /s/ *Scott Lucas*
Director

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SUBJECT: Regional Claims Advisory – Quality Adjustment Determinations for
Vomitoxin

BACKGROUND:

Weather conditions this year have resulted in the development of Fusarium head blight in some areas of the region. This disease is caused by a fungus which produces deoxynivalenol (DON). This is often referred to as vomitoxin due to the symptoms DON produces in livestock. Numerous reports of harvested grain with high levels of vomitoxin have already been reported.

The 2013 Loss Adjustment Manual (LAM) Par. 102 addresses quality adjustment procedures when production contains mycotoxins. The Special Provisions contains adjustment factors for vomitoxin levels from 2.1 to 10.0 ppm as well as methods to determine production to count for levels above 10.0 ppm.

Quality adjustments are based on samples obtained by the adjuster or other disinterested third parties authorized by the insurance provider, such as an elevator employee. Harvested and delivered production samples taken from each conveyance and then blended may be accepted under certain conditions. Samples from different units must not be blended.

Appropriate samples must be obtained prior to the production entering commercial storage. However, for farm-stored production contaminated with vomitoxin only, samples may be obtained from the storage structure or by disinterested third parties.

ACTION:

To assure agents and loss adjusters are aware of how to handle production with high vomitoxin, refer to the LAM Par. 102 for procedures and guidelines. As referenced in the LAM Par. 102 K, testing done by an elevator, processor, or other facility cannot be accepted for insurance purposes unless this facility meets the criteria for an approved mycotoxin testing facility.

If the insured chooses an elevator, processor, or other facility that does not meet the approved testing facility requirements the loss adjuster must obtain samples for testing prior to the production being transported to the elevator, processor, or other facility. Through agreement with the Approved Insurance Provider (AIP), the elevator, processor, or other facility may take additional samples per load for vomitoxin, provided the AIP has verified that this facility is following all criteria as set forth by LAM to assure the samples are not commingled

between units.