

- Excessive kernel damage, beginning at damage in excess of 10 % for corn and 8 % for soybeans, up to 35 % kernel damage for either crop, results in a further discount.

The quality adjustment factor is equal to the total of the discounts subtracted from 100 percent. If damage is in excess of the “chart values” for either low test weight or kernel damage, the discount will be based on the price discount assessed by the buyer of the grain compared to the local market price on the same day. For example, if the local market price for corn is \$3.20 per bushel and the buyer offers only \$2.40 for damaged corn, the volume of grain reported for crop insurance purposes will be reduced by 25 %. Production that is not sold will have an adjustment factor of 50 %.

Additional discounts may be taken for if substances such as aflatoxin, vomitoxin or fumonisin are detected in the grain. Each substance has a separate discount table, ranging up to 40 % for aflatoxin and fumonisin and 45 % for vomitoxin. Samples tested for aflatoxin must be obtained before grain is placed into storage. Details about the quality discounts applied for damaged or tainted grain can be found in the “special provisions” section of a standard MPC I crop insurance policy.

The bushels of production at the standard moisture level will be reduced by the sum of the quality adjustment factors to arrive at the “production to count” bushels. These bushels will be used to settle claims for any MPC I policy, and to calculate actual production history (APH) yields for future policies.

Example: a truckload of damaged corn contains 900 bushels after the moisture content is adjusted to 15 %, and receives a “sample” grade. Samples show the following quality losses:

Sample grade	discount factor = .099
Test weight = 48.5 pounds per bushel	discount factor = .041
Kernel damage = 16.5 %	discount factor = .132
Aflatoxin presence = 30 ppb	discount factor = .100
	Total discount = .372
Quality adjustment factor = $1.000 - .372 = .628$	
Production to count = $900 \text{ bushels} \times .628 = 565.2 \text{ bushels}$ for that load	

The value of the indemnity payment will depend on the type of MPC I policy and guarantee purchased, the indemnity price, and (for revenue insurance) the futures price at harvest time.

For more details consult your licensed crop insurance agent or insurance provider.

... and justice for all

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