

Resolution #11 – Middlesex SCIA - Variability of DON Testing Results

WHEREAS there is huge variability in DON results due to sampling, grinding (amount) and particle size, and,

WHEREAS this has tremendous financial implications across the industry,

THEREFORE, BE IT RESOLVED that the Ontario Agri Business Association work with OMAFRA, University of Guelph and the Canadian Grain Commission to develop training and guidelines for elevators and end users to develop Good Laboratory Practices standards to be followed.

Moved Birgit Martin, Seconded by Ken Robson (Middlesex SCIA).

Carried

SENT TO Richard Smibert, President, The Ontario Agri-Business Association (OABA)
The Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs (OMAFRA)
Dr. Franco J. Vaccarino, President and Vice Chancellor, University of Guelph
Gino Castonguay, Chief Grain Inspector for Canada, Canadian Grain Commission (CGC)

COPY TO Dave Bутtenham, Chief Executive Officer, The Ontario Agri-Business Association (OABA)
Crosby Devitt, Vice President, Grain Farmers of Ontario (GFO)
Barry Senft, Chief Executive Officer, GFO

RESPONSE FROM CHIEF EXECUTIVE OFFICER ONTARIO AGRIBUSINESS ASSOCIATION

Dear Mr. Graham:

Further to your letter addressed to Richard Smibert, President of the Ontario Agri Business Association (OABA) outlining your organization's concerns with grain elevator DON testing from the 2018 corn crop, I would like to take this opportunity to respond and update OSCIA.

The three OSCIA resolutions you have presented from Middlesex, Oxford and York are correct in identifying some of the challenges that faced all segments of the grain industry in dealing with high DON levels in the 2018 corn crop. That being said, it is important to understand that the challenges of DON in the 2018 corn crop do not only impact farmer deliveries of corn – these same challenges extended throughout the entire corn value chain. In receiving the 2018 corn crop, Ontario grain elevators were exposed to significant financial and operational risks associated with variable DON levels as they purchased and moved corn through the value chain. Over the course of the 2018 harvest, it is estimated that the Ontario grain industry (elevators, feed mills and corn processors) spent in excess of \$6 million to test for DON in corn during the 2018 corn harvest with the objective of ensuring that both sellers and buyers were being treated fairly.

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It should be noted that a primary point of variability associated with DON contamination within the 2018 corn crop occurred in the field and was impacted by environmental conditions (including rainfall, humidity, lingering dews, foggy mornings, temperatures), and further influenced by a number of farmer-based decisions (including hybrid selection and the use of fungicides). Once the extent of high DON concentrations was fully identified at the beginning of harvest, the Ontario grain elevator industry responded by mobilizing “DON quick test programs” to monitor intakes of corn and effectively manage the financial and operational risks of receiving high levels of DON. In a very short period of time, grain elevator operators were pressed to source DON quick test technology and train elevator receiving staff on the instructions for testing as established by the firm providing the quick test kit. It should be noted that several different “DON Quick Tests” were used by the grain industry – each with a specific methodology. During the harvest period, OABA also distributed two “Member Alerts” and presented a webinar to provide guidance to the membership on sampling and testing. Copies of the two “Member Alerts” are attached to this letter for your review.

Following harvest, OABA partnered with OMAFRA, the University of Guelph – Ridgetown Campus and Grain Farmers of Ontario to establish a Mycotoxin Research Coalition. In co-operation with the grain elevator sector, the coalition assessed the accuracy of quick tests used by the trade during the 2018 corn harvest. Evaluation of the test kit results at elevators revealed that they were not considered a major source of variation when following the protocols and directions provided by the test kit companies. Probe samples (vs. tailgate) were also less of a variable than expected, with a two-kilogram sample from four probes per truck equivalent to a tailgate sample.

The Mycotoxin Research Coalition continues to conduct further research related the preparation of the corn sample for DON quick testing. A key source of variability is determined to be subsampling and the grinding process. Dr. Schaafsma is recommending that standardized training be developed on sample preparation, and that a two-step grinding process be utilized. Implementation of this recommendation will be considered by elevator operators. In support of these findings, OABA has conducted a webinar on grain sampling, and Dr. Schaafsma recently made a presentation at our annual operations meeting. As further research is being conducted, OABA and will continue to communicate findings/recommendations to the grain elevator membership.

The high DON concentrations experienced by the industry during the 2018 corn harvest were unprecedented, and in large part, unexpected. In this regard, OABA continues to support the use (and possible enhancement) of OMAFRA’s annual pre-harvest corn survey as an early indicator of potential DON problems.

OABA would also submit that corn growers must also accept a primary responsibility to implement prevention strategies for mycotoxins in corn. The March 2019 issue of Ontario Grain Farmer includes an article on “Preventing DON in Corn – Best Management Tips for 2019”.

In summary, OABA would submit that the Ontario elevator industry did the very best job possible in receiving, testing and marketing a highly variable and challenging corn crop in 2018. When it comes to DON testing, the elevator industry will continue to implement new technologies, practices and protocols based on credible research and science with the overall objective of ensuring fairness to both buyers and sellers of Ontario corn.

Yours truly,

ONTARIO AGRI BUSINESS ASSOCIATION



David Buttenham Chief
Executive Officer

Cc: Richard Smibert, President, OABA
The Honourable Ernie Hardeman, Minister, OMAFRA
Dr. Franco J. Vaccarino, University of Guelph
Gino Castonguay, Canadian Grain Commission
Barry Senft, GFO
Crosby Devitt, GFO
Grain Section Committee, OABA

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Resolution #12 – Middlesex SCIA - Agricorp Inconsistency in DON Policy

WHEREAS DON challenges in both corn and wheat occur far too frequently, and,

WHEREAS Agricorp did not have a clear directive in place to cope with the severe problem in corn in 2018 prior to its occurrence.

THEREFORE, BE IT RESOLVED that Agricorp develop transparent policies applied consistently to deal with high DON crops, such that producers have a clear understanding of their options.

Moved Birgit Martin, Seconded by Kevin Robson (Middlesex SCIA).

Carried

SENT TO Doug LaRose, CEO, Agricorp

**COPY TO Crosby Devitt, Vice President, GFO
Barry Senft, Chief Executive Officer, GFO**

RESPONSE FROM AGRICORP

Dear Mr. Graham,

Re: Formal resolutions #12 and #16

Thank you for your letters outlining the following resolutions for our consideration and comment. We appreciate the input we receive from the OSCIA to help ensure Ontario producers get the support they need.

Resolution #12 - Agricorp inconsistency in DON policy

We understand the frustration producers felt during the DON situation in the 2018 corn crop. With unprecedented levels of DON in corn, the situation was unique and very complex. DON levels varied highly from farm to farm, field to field, and even within loads, adding to the complexity of marketing and managing the crop. The situation was changing almost daily. In addition, higher than average corn yields offset production losses, reducing the likelihood of a claim.

Finding the right program solution under these challenging circumstances takes time. Agricorp did not take the issue lightly. We immediately reprioritized our plans and made DON our focus so we could provide a response that was timely and thorough. We met regularly with OMAFRA, the Grain Farmers of Ontario and the Ontario Agri Business Association to ensure alignment with their recommendations and communication. We published frequent updates on our website, in agricultural newspapers and in stakeholder publications to keep customers informed about the situation and to explain how their Production Insurance coverage works.

We shared updates with the Ministry, commodity groups and farm organizations on an ongoing basis.

We mobilized our resources to ensure customers got the service they needed, taking a consistent but personalized approach to customer service. Our employees worked with each customer one-on-one to discuss their unique situation, so customers could make informed decisions for their operation. Adjusters responded to urgent situations within 48 hours.

We worked directly and quickly with OMAFRA to get the approvals from the provincial and federal governments to update the necessary DON thresholds and payment rates needed to implement the corn salvage benefit in 2018. This benefit helped offset the additional costs to dry, test, store and transport the corn impacted by DON, allowing producers to access market opportunities that developed later in the season.

The extensive amount of research and groundwork we, together with the industry, accomplished this year puts us in a much better position to respond to this kind of situation should it happen again. We will continue to provide producers with timely, transparent program information and personalized customer service to help them understand their program coverage and options.

The Production Insurance benefit for corn and quality coverage for winter wheat are updated and clearly stated in the Corn Salvage Benefit feature sheet on agricorp.com and on the How it works page for winter wheat. As part of these updates, we collaborated with both the provincial government and industry to enhance the corn salvage benefit for 2019, introducing tiered coverage for different levels of DON and extending coverage to organic corn.

Resolution #16 - Sandhill Cranes

We are aware of concerns about crop damage caused by wildlife and recognize how this resolution supports your previous resolutions suggesting improved coverage for wildlife damage.

Wildlife damage is an insured peril under horticulture, cereal and corn Production Insurance plans. Production claims are paid when yields fall below a producer's guarantee. For these plans, producers can receive a yield guarantee of up to 90 per cent of their individual average farm yield and can have replant coverage. This is the maximum coverage level available in Canada. Spot-loss coverage is a significant policy change requiring the approval of OMAFRA and AAFC.

We understand that discussions have been taking place at the Agriculture-Wildlife Conflict working group. At the last working group meeting, OSCIA indicated that they have entered into a multi-year agreement with the Canadian Wildlife Service to study the habitat, feeding habits and damage to crops. The results of this research will help to understand the scale and scope of the problem, and we will be interested to hear the results through the working group. We will continue to attend these meetings and will support OMAFRA on this issue as required.

A significant policy change like spot-loss coverage for wildlife damage requires the approval of the provincial and federal governments so continuing the discussions at this working group

would be appropriate. I have directed staff to share your resolution with our colleagues at OMAFRA. For more discussion on coverage for crop destroyed by wildlife, contact Mark LaBerge, Manager, Insurance and Partnerships Unit at OMAFRA at 519-820-6503.

Thank you again for your interest in helping to improve the programs we deliver. We are committed to working with the OSCIA, OMAFRA and commodity groups to ensure the programs remain relevant and responsive to industry needs. If you have any questions, please contact Debbie Brander at 519-826-3616 or Debbie.Brande@agricorp.com.

Sincerely,

Doug LaRose CEO, Agricorp

C. Mike Vlcek, Senior Director, Program Development, Agricorp

Debbie Brander, Manager, Product Management & Industry Relations, Agricorp Heather Cassidy, Director, Farm Finance Branch, OMAFRA

Barry Senft, Chief Executive Officer, GFO

Crosby Devitt, Vice President, GFO

Mark LaBerge, Manager, Insurance and Partnerships Unit, OMAFRA

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