

Agriculture by Marcia Merry

Funny business in the corn harvest

Are the USDA and the food cartels using the aflatoxin scare against the beleaguered American farmer?

Just as the corn harvest is reaching completion, reports are coming in of corn rejected for delivery by the grain cartel companies because of reputed presence of aflatoxin—a toxin produced from mold in the crop. While this has been a problem in the corn belt, especially in the 1988 harvest, there are some open questions today about the aflatoxin problem. Farmers in Texas and Oklahoma are reporting that their corn is being rejected for top grade sale because it tests positive for aflatoxin. But the farmers cannot arrange corroborating tests. And, they add, there is some “funny business” going on in the grain trade.

In any case, if there is widespread aflatoxin contamination of corn, then the farmers hit by the low prices it brings must have emergency help, or this will be the last harvest for thousands of them. This is a matter of concern for the preservation of our national food supply, and our ability to export.

Aflatoxin is a deadly substance produced by a mold that tends to occur in corn under certain, dry growing conditions. In the right concentrations, it is very damaging to livestock; it can also be harmful if ingested by humans (for example, in “organic” peanut butter or similar unprocessed foods). In the killer drought of 1988, the mold became very extensive in corn. However, this year, the conditions were less favorable for this pest.

In the southernmost parts of the corn belt—in central Texas and sections of Oklahoma, the corn harvest has been in for 45 days or less. The weather has been dry, but not exces-

sively so. In fact, yields have been mercifully up over the average, and very much increased over last year’s drought-stricken harvests.

In central Texas, this year’s corn came in at 100 bushels an acre, compared with 80 bushels an acre “normally.” Grain sorghum in the same area came in at 4,800 pounds per acre this year, compared with the “normal” yield of 4,500 pounds per acre.

Therefore, it came as a shock when farmers went to ship their corn out, and the buyers claimed it was contaminated. This claim is based on tests the farmer has no ability to confirm—or challenge.

The situation is a disaster for the individual farmer. One Oklahoma farmer near the Missouri border had pre-contracted on the futures market to sell half his corn crop for delivery now, at a price giving him about \$30,000. He did this as a hedge against price changes. However, suddenly, the whole deal is off—at his expense. The recipient has refused to take delivery, claiming that the corn is contaminated by aflatoxin. The farmer has no immediate recourse to get alternative tests to verify this claim.

In Texas, farmers have been told the same thing about their grain stored at an independent elevator near Austin. Local farmers brought in their corn, which was clean grain, with good “bushel weight,” but after a time, the elevator officials informed them that the grain trade brokers refused to buy, because of claims that the grain tested positive for aflatoxin.

The plot thickens. The USDA’s

Federal Grain Inspection Service began using a new aflatoxin test this October. As of Oct. 1, the FGIS began replacing the Holaday-Velasco (HV) minicolumn and the thin-layer chromatography (TLC) methods that have until now determined the presence of aflatoxin in corn, with the new test kits at FGIS field office service points. There will be an interim period until April 1990, when the TLC and HV methods will still be used, upon request, to test grain for domestic and export contract requirements. After April next year, the newly approved commercial aflatoxin test kits will be used.

Besides tinkering with tests, what is the USDA doing to aid farmers hit with this crop mold because of weather? Nothing. On Sept. 29, the USDA simply issued a press release on the new aflatoxin test procedures, not on what to do about the problem.

This serves the interests of the big name companies that form the grain cartel (Cargill, Archer Daniels Midland, Bunge, Continental, Garnac/André, Louis Dreyfus). There are grounds for the suspicion that these companies are in line to acquire the condemned grain at rock bottom prices, and then to mix it with uncondemned grain, or use the wrongfully condemned grain, to meet contracts. These companies control 90% of the world grain trade. There is no market outside their control.

One Texas farmer points to an amazing “coincidence” that has occurred in the last month. Some farm magazines, such as the *Farm Journal* and the *Farmer-Stockman*, have begun carrying advertisements by grain buyers looking for “off-grade grains.” In turn, these scavengers could quietly funnel the grain right back to the channels of the grain cartel companies, which now would get grain at dirt cheap prices.