How to keep feed costs to a minimum

Home mixers in general have more control over their own feed inputs to produce high quality consistent feed programmes. This is especially true for smaller producers. Feed costs can be reduced accordingly and especially where producers operate in groups. This may also require investment in grinding and mixing equipment. Larger producers and groups can command a lot more purchasing power with the feed manufacturers to reduce costs.

Wet feeders

Wet feeders can utilise many types of co-products not necessarily used by the feed companies. During the last feed crisis in the pig industry, many wet feeders remained in positive financial margins throughout because of their capacity to produce very low cost feeds and capitalise on better FCRs.

Pre-mix

The pre-mix component and the basic feed formulation itself usually have significant safety margins in-built which adds cost to the feed programme. These should be examined carefully with an independent nutritionist to look for savings. This again could represent significant cost savings on many feed programmes.

Many of the components within the pre-mix formulations may be unnecessary and are often included for purely historical reasons. Most well-formulated feeds will have adequate amounts of micro-elements and the top up from the pre-mix can be a lot less than is considered normal.

Buying groups

There are still not many effective buying groups for feeds around the industry. Where 10-20 farms pool their resources, they can gain significantly more purchasing power by working together.

Feed additives

Feed additives are an ‘essential’ component of the feed programme but the costs and margins associated with these items are very high. Many feed programmes include perhaps four different types of additive all attempting to achieve the same goal – usually enhanced gut health.

These should be reviewed critically and removed wherever possible. These include organic acids, yeast based immunostimulants, essential oils, herbal extracts, probiotics, pre-biotics, enzymes (NSP and P) and mineral products such as zeolites. Some of these may well be cost-effective on a particular farm but again many are inserted into a feed formulation and then ignored over time and may not be needed.
In-feed medicines
Although there has been much focus on these lately there are probably still far too many of these left in formulations under on-going prescriptions because no-one took a decision to take them out. Obviously, this needs veterinary consultation. The functions also complement the non-prescription additives and it may be if health status on the farm has improved then there is not so much need for “double cover”.

Starter feeds
These are actually only about 5% of the feed programme but represent about 12% of the feed costs. Despite the complexity it is possible for a home mixing producer to formulate his own feeds and manufacture them quite successfully. They may need to handle and store more raw materials but there are considerable cost savings to be had.

Dry sow feeds
There can be real savings in this category of feeds, because this is the least demanding time in the reproductive cycle. Feed formulations can be very simple and hence, much cheaper than is often realised. Again, a home mixing farmer can make these with the farms own resources and save a lot of money.

There is a lot that can be done to contain costs when it comes to feeds. Quality does not have to be compromised but it does require more focus and attention on the complete programmes. The compound feed manufacturers are expert at taking a wide array of raw materials and co-products and turning them into effective feed products and for the large businesses with good purchasing power this is an option to consider. There are alternative ways of developing high performance feed programmes if producers are willing to apply their thinking caps! If we sum all the potential savings then for most producers right now this could make a real difference to their bottom line.