



MICRO-AID®

Micro-Aid® in all feed, all the time



The Value of Improving Feed Conversion as Ingredient Costs Vary

Managing feed costs have historically been an important part of the equation in maximizing profitability in the livestock feeding business. Feed's importance has been driven from two perspectives. First is the fact that feed is a major portion of the total cost in the budget of feeder livestock, and secondly, feed ingredient costs can and have varied significantly over time. .

Feed is a Major Production Cost:

In fact, if the original purchase price of the feeder animal and the financing costs are omitted, feed can make up over 75% of all other production costs throughout the feeding phase preparing livestock for market. That significance to the total cost of producing livestock in itself is enough reason to focus diligent efforts towards managing feed costs in a livestock feeding operation.

Feed Costs Vary Over Time:

Feed costs have varied significantly over time but most recently that variation has been dramatically upwards. Three common ingredients used to manufacture feed across most species are corn, soybean oil meal, and supplemental minerals and vitamins. All three of these ingredients have recently increased. The Micro-Aid® Value Proposition Model developed by DPI GLOBAL has been used to identify the specific impact that variable corn and soybean oil meal prices have on the cost of feeding livestock. This example will look at pig production, however, please note that a very **similar impact occurs in all species** of livestock.

Table No. 1 provides a sensitivity analysis of the impact that corn and soybean oil meal can have on the average feed cost per ton to feed a pig from weaning to market weight. It should be noted that during the past 24 months nearly all of the scenarios identified on this table have occurred. That is to say **feed costs per ton have more than doubled** in recent months due to increases in corn and soybean oil meal! While this table keeps the cost of

Table No. 1: Impact of Corn and Soy Price on Average Complete Feed Cost Per Ton for Wean to Finish Pigs

Assumptions include: Pigs Growing from 12-260 pounds
Average F:G of 2.65

Corn \$/Bu.	SBOM Price Per Ton					
	\$175.00	\$225.00	\$275.00	\$325.00	\$375.00	\$425.00
\$2.50	\$151.91	\$159.67	\$167.44	\$175.20	\$182.96	\$190.72
\$3.00	\$165.91	\$173.67	\$181.43	\$189.19	\$196.95	\$204.72
\$3.50	\$179.90	\$187.66	\$195.43	\$203.19	\$210.95	\$218.71
\$4.00	\$193.90	\$201.66	\$209.42	\$217.18	\$224.94	\$232.71
\$4.50	\$207.89	\$215.65	\$223.42	\$231.18	\$238.94	\$246.70
\$5.00	\$221.89	\$229.65	\$237.41	\$245.17	\$252.93	\$260.70
\$5.50	\$235.88	\$243.64	\$251.41	\$259.17	\$266.93	\$274.69
\$6.00	\$249.88	\$257.64	\$265.40	\$273.16	\$280.92	\$288.69
\$6.50	\$263.87	\$271.63	\$279.39	\$287.16	\$294.92	\$302.68
\$7.50	\$277.87	\$285.63	\$293.39	\$301.15	\$308.91	\$316.68
\$7.00	\$291.86	\$299.62	\$307.38	\$315.15	\$322.91	\$330.67

Prices for Minerals, Vitamins, and other supplements included in feed costs are constant across the entire table.



vitamin and mineral supplementation constant across all scenarios, it should be noted that mineral and vitamin price increases in recent months have caused an additional upward impact on feed prices not reflected in this table.

The significance of feed cost on the total cost of producing a market weight pig is further demonstrated in **Table No. 2**. The overall cost of feed, the major component of total pig cost, more than doubles as multiple corn and soybean oil meal scenarios are evaluated from the upper left hand corner of the table to the lower right hand portion. Calculations would tell us that the increase from \$50 per pig to \$110 per pig across the table adds **an additional \$23 per live cwt** to the cost of producing a 260 pound pig without even considering the additional financing cost for the operation! These increases in corn and soybean meal mandate that action plans be implemented to effectively manage the use of feed in the most efficient way possible.

Table No. 2: Impact of Corn and Soy Price on Average Feed Cost Per Head for Wean to Finish Pigs

Assumptions include: Pigs Growing from 12-260 pounds
Average F:G of 2.65

Corn \$/Bu.	SBOM Price Per Ton					
	\$175.00	\$225.00	\$275.00	\$325.00	\$375.00	\$425.00
\$2.50	\$50.72	\$53.31	\$55.90	\$58.49	\$61.08	\$63.67
\$3.00	\$55.39	\$57.98	\$60.57	\$63.16	\$65.75	\$68.35
\$3.50	\$60.06	\$62.65	\$65.24	\$67.84	\$70.43	\$73.02
\$4.00	\$64.73	\$67.32	\$69.92	\$72.51	\$75.10	\$77.69
\$4.50	\$69.41	\$72.00	\$74.59	\$77.18	\$79.77	\$82.36
\$5.00	\$74.08	\$76.67	\$79.26	\$81.85	\$84.44	\$87.04
\$5.50	\$78.75	\$81.34	\$83.93	\$86.52	\$89.12	\$91.71
\$6.00	\$83.42	\$86.01	\$88.61	\$91.20	\$93.79	\$96.38
\$6.50	\$88.09	\$90.69	\$93.28	\$95.87	\$98.46	\$101.05
\$7.00	\$92.77	\$95.36	\$97.95	\$100.54	\$103.13	\$105.72
\$7.50	\$97.44	\$100.03	\$102.62	\$105.21	\$107.81	\$110.40

Prices for Minerals, Vitamins, and other supplements included in feed costs are constant across the entire table.

Micro-Aid® Effectively Improves Feed Efficiency:

A vast number of livestock producers around the world are effectively using the all-natural environmentally safe feed additive, Micro-Aid® to improve animal performance. A significant amount of research conducted in university and commercial facilities over the past 40+ years demonstrates that Micro-Aid® provides improvement in both ADG & F:G across several species. **Table No. 3** shows the **consistency of Micro-Aid®** in livestock and poultry feeding research trials. When faced with increasing feed prices, allocating resources towards managing feed conversion becomes an even higher priority for livestock producers.

Table No. 3 Multi-Species Micro-Aid® Research Trials

	No. Trials	% Improvement	
		ADG	F:G
Swine Grow-Finish	17	4.3 %	3.4 %
Beef Feedlot	18	5.3 %	4.6 %
Broilers	22	2.3 %	2.1 %



