

# How do we manage high feed prices?



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2021 is one for the record books. The wide spread dryness seen throughout western Canada has not been seen on this level since 2002. In speaking with producers, the consensus is this year's crop will be 40-50 percent of average. As any livestock producer knows, feed costs are always the single biggest factor representing 60-70 percent of the total cost of production. Over the past year, grain prices have increased significantly with wheat and barley prices close to doubling the values seen in the fall of 2020, therefore finding strategies to minimize the impact of high feed prices will be important moving forward through to next spring.



It is not all bad news though. Hog prices have remained relatively strong over the past six months with cash prices exceeding \$190/ckg since the early part of March. Even with feed cost increasing over this period, most producers would have seen

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Program funding provided by





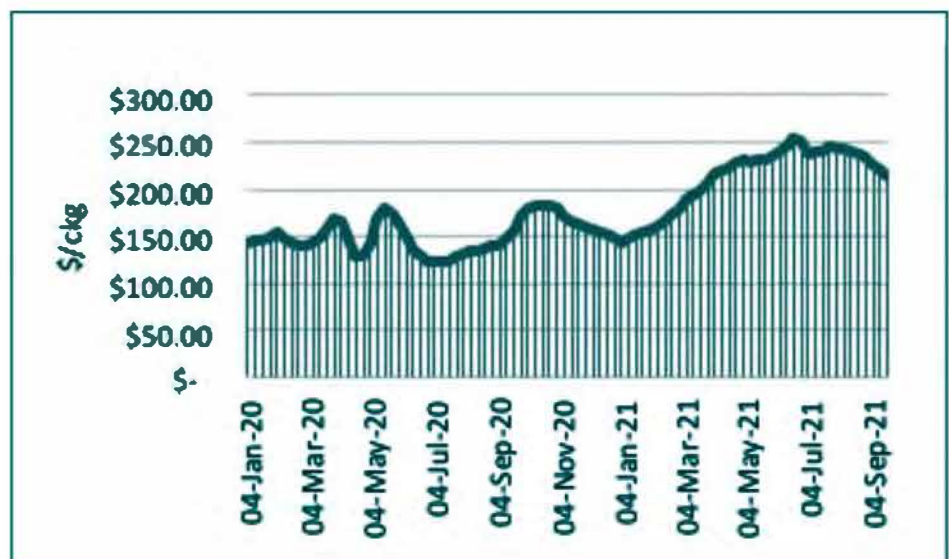
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positive returns throughout the spring and summer. The challenge does become later this fall and early winter when hog prices make their seasonal trend downward that would pressure margins. Another piece of good news is the recently released (September) USDA Pigs and Hog Report that found numbers that will support of hog prices going forward. This may provide producers an opportunity to find additional coverage at prices near or slightly above break even.

Where do we go from here? The first should be, if you have not already, is to calculate your true cost of production. While feed costs grab all the headlines you should not lose focus on other things that can help improve your financial position. Even with near record feed prices, feed cost still only represents 70% of the cost of production. This means other variables have also increased at the same time, therefore adjusting feeders, drinkers, ventilation management, vaccination programs and regular barn maintenance are things done on a daily, weekly and seasonal basis that have a direct impact on cost, pig performance and overall herd health.

Taking a direct look at the increase in feed cost, there are different things producers can do to manage this high feed cost situation. This was a focus of a webinar held by Sask Pork, University of Saskatchewan and Prairie Swine Centre on September 23 with topics focusing on the following areas:

- Maximizing profit through feed processing – Rex Newkirk, U of S
- Strategies to reduce feed cost – Diet formulation and feed efficiency – Dan Columbus, PSC



- Finding your optimal marketing weight – Ken Engele, PSC
- Utilization of corn DDGS in swine diets – Denise Beaulieu, U of S.

If you are interesting in viewing the webinar, please follow the link below.

[https://us02web.zoom.us/rec/share/gFrFVdD7j\\_qlavKlJE-bUzDIHPzpt0C4pmEc2TPVaj6WgJFsc9L4PvDPwtH0vezQ.WQSF1pzB9O6JDPU8](https://us02web.zoom.us/rec/share/gFrFVdD7j_qlavKlJE-bUzDIHPzpt0C4pmEc2TPVaj6WgJFsc9L4PvDPwtH0vezQ.WQSF1pzB9O6JDPU8)

If you are looking for ways to manage your feed costs or your total cost of production there are numerous resources available at prairieswine.com, or feel free to reach out to the staff of PSC. We are always here to assist in any way we can.

