

## Feed Futures

Change...it's a constant factor in any business or industry. In fact, about the only thing that is certain is that what we can count on today may be vastly different from tomorrow's norms.

How do feed manufacturers and dealers stay ahead of the game? What can you do now to continue serving your customers tomorrow? Thinking about the future and planning for change can help to smooth out the biggest bumps when the inevitable transitions come to pass.

In a recent article in *Feed Management*, industry leaders reviewed some of the important issues and changes that will impact feed production in the next few years.

**Ingredient supplies and costs.** There's every indication that the bioenergy industry will continue to grow, and increased demand for grains, especially corn and soybeans, is almost certain to raise feed ingredient prices. Beyond those assumptions, no one knows exactly how supply, demand, and costs will work out.

**Technological advances.** Improved methods have been developed to analyze nutrient levels and scan products for impurities and toxins. In addition, research has also been focused on enzyme applications and other methods to help animals derive the maximum benefit from alternative feed ingredients. Another trend is the changing uses of things that were once considered waste products, such as the processing of animal fats, manure, and methane to create energy.

**Expanding consumer base.** In addition to standard feeds for dairy, beef, pork, and poultry, the market will continue to increase in the field of products and feeds for hobby animals and companion animals. While livestock managers are looking for a traditional feed that has been shown to enhance weight gain or egg production, owners of hobby or companion animals may be swayed more by packaging, special additives, and articles in specialty or breed publications.

**Consumer confidence.** Bird flu...mad cow disease...salmonella...*E. coli* contamination. Bombarded with too much information, consumers often have some wild fears as well as some legitimate concerns. Suppliers of animal feed and health products will be expected to help reduce customer anxiety by keeping up with current events and providing sound information.

**Environmental issues.** A lot of work has already been pointed toward formulating feed products that deliver optimum levels of bioavailable nutrients without spilling harmful and costly excess supplements into animal waste. Companies that build or expand their facilities will need to consider the implications of construction, roads, storage, dust control, waste removal, and noise on nearby land, water, and neighborhoods.

**Personnel.** Several factors—declining rural population, zoning that forces animal operations into remote locations, fewer young people with practical animal experience entering the workforce—may combine to produce a shortage of qualified workers in every aspect of agriculture and the feed industry. Employers may need to offer higher salaries and other incentives to attract and keep personnel. Benefits such as insurance, health care, and training programs will assume greater importance.

**Biosecurity.** Additional regulations can be expected in the areas of ingredient traceability, premise access, and storage and transportation of raw ingredients and finished products. Legal and regulatory paperwork and fees are almost guaranteed to increase.

**International trade.** If more markets open for domestic grain crops, current grain export/import levels may change. Companies may turn to foreign countries in an attempt to find employees with an agricultural or animal background. The ability to converse in several languages will become increasingly important. Finally, part of the rising standard of living for populations in developing countries will be additional demand for dietary animal protein, and therefore for animal feed products.

How will these broad categories of change affect the day-to-day operation of your feed production schedule? What is the feed producer's responsibility to consumers? Answers will be different for every company. Meanwhile, your considerations will include:

- *Listening to and addressing consumer concerns.* Consider a Q and A column in your company newsletter or on your showroom bulletin board. Set up a workshop or forum for interested customers and invite an agricultural economist to speak.
- *Managing your operation in a safe and responsible manner.* This should be a continuation of the current status for the present, but with thought given to inevitable changes.
- *Staying informed.* Read, talk to other industry personnel, attend conferences and workshops.
- *Educating staff and consumers and providing sources of valid information.* There are a number of Web sites that will lead interested readers to a wealth of information from credible sources. The Centers for Disease Control ([www.cdc.gov](http://www.cdc.gov)), U.S. Department of Agriculture ([www.usda.gov](http://www.usda.gov)), and the Animal and Plant Health Inspection Service ([www.aphis.usda.com](http://www.aphis.usda.com)) have an array of pertinent articles, as well as a search feature.

*For a more complete discussion of changes and trends in the feed industry, see "Building on the past, positioned for the future," in Feed Management, Vol. 58, No. 1 (January/February 2007), pp. 6-9.*



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