

Newsletter

> EDITORIAL

Recently, slogans like “Wheat prices surge to record high” or “Soaring corn prices hit farmers” appear more and more often in the news. Feed manufacturers are forced to increase their product prices, as dry weather conditions damage crops in Australia, Canada, Ukraine and other regions worldwide. Furthermore, increased quantities of wheat and corn are used as raw materials for the booming bioethanol production. Unfortunately, livestock producers are unable to pass on the additional increased feed cost, they have to take other steps to improve the situation. One of the possibilities is to reduce feed consumption but keep animal performance at an optimum. BIOMIN’s Natural Growth Promoters (NGPs™) help to achieve these results. Acidifiers, phytogenics, probiotics, prebiotics and immune stimulants belong to the NGPs™ group. BIOMIN’s acidifier Biotronic® SE forte will demonstrate how improved diet utilization (better FCR) influences the cost savings. You will find useful information on the following pages with BIOMIN’s solutions in the field of NGP™ providing a healthy gut for top performance!



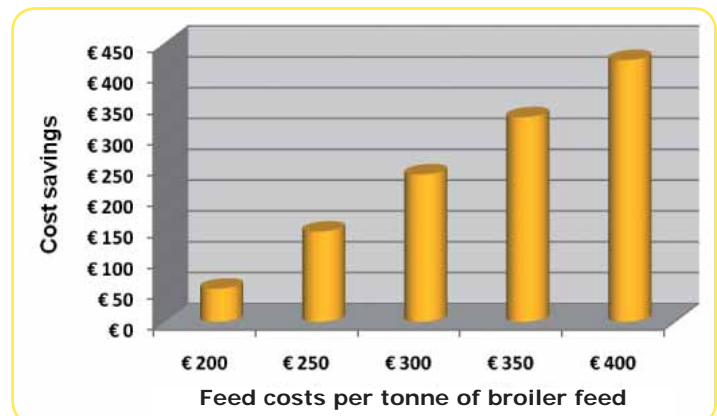
Nataliya Roth



Biotronic® product line

What has happened to the prices for feed? In the press release, prices for soybean, maize, wheat and barley have jumped from an average price of around 120 €/tonne during the summer 2006 to 200 €/tonne a year later, which represents an increase of almost 70%. There is a distinction between shrinking supplies and increasing demand. Shrinking supplies are mainly due to dry weather and bad crops in many producing countries. Increasing demand is due to corn use for bioethanol production. In addition many developed countries have decreased their feed stocks. And, besides this, financial speculators also influenced the sharp increase on raw material prices.

How profitable are BIOMIN NGPs™ in times of increasing feed costs?



In order to understand the figure above please read the following pages. Enjoy reading it!

Feed prices are likely to increase even further, according to Arie van Dijk, livestock feed expert from the Bureau Stigevo (Dutch agricultural newspaper Agrarisch Dagblad). Under these circumstances, strategies to improve Feed Conversion Ratio (FCR) are crucial for farmers in order to face increasing feed costs.

FCR is one of the main factors driving profitability. Improving FCR leads to cost savings. The effect of natural growth promoters (NGPs™) on FCR is based on numerous trials under practical conditions world-wide (see Figure 1).



Figure 1: Countries where BIOMIN NGPs™ have been tested

The trials provide improved daily weight gain and final body weight, as well as decreased mortality and diarrhoea cases and improved FCR for poultry, pigs and calves. FCR is the parameter with a high significance. The following cost calculation will therefore be based on the FCR improvement. The trials show that Biotronic® products are able to reduce FCR by an average of about 5%. This percentage is used therefore in the calculation. The reduction of FCR through Biotronic® SE forte is shown in Figure 2, whereby a FCR of 1.8 was taken as an average basis value.

The calculation shows the benefit of Biotronic® SE forte in broiler production. All parameters are constant, except the FCR, which is related to feed intake and therefore has an influence on feed savings. No further benefits were considered in this calculation.

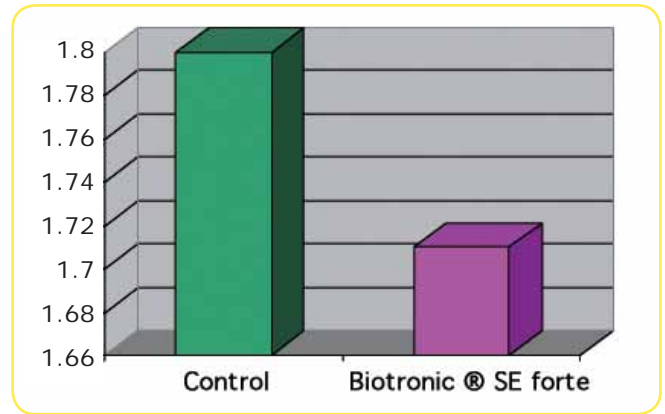


Figure 2: Effect of Biotronic® SE forte on Feed Conversion Ratio

Table 1: Effect of Biotronic® SE forte in broilers

	Control	Trial group with Biotronic®
No. of birds	10 000	10 000
Days to market	38	38
Final weight (g)	2 100	2 100
Initial body weight	40	40
Daily weight gain (g)	54	54
FCR	1.80	1.71
Feed intake (kg/bird)	3.708	3.523
Total feed intake (kg/10 000 birds)	37 080	35 226

As shown in Table 1, total feed intake of broilers in the trial group with Biotronic® SE forte was decreased by 1 854 kg, because of reduced FCR from 1.80 to 1.71.

Feed prices differ depending on the country, but an increase in price is obvious worldwide. Table 2 shows the difference in cost savings due to reduced feed intake at two different price levels.

Table 2: Benefit of Biotronic® SE forte at different levels of feed costs

	Feed cost: € 250/t		Feed cost: € 340/t	
	Control	Trial group with Biotronic®	Control	Trial group with Biotronic®
No. of birds				
No. of broilers	10 000	10 000	10 000	10 000
Feed consumption (kg)	37 080	35 226	37 080	35 226
Feed cost	€ 9 270	€ 8 806.5	€ 12 607.2	€ 11 976.84
Difference in feed cost		€ 463.5		€ 630.36
Cost of Biotronic® (€ 3/kg) *		€ 317.03		€ 317.03
Cost savings		€ 146.47		€ 313.33

* inclusion rate: 3 kg/t

In both cost regimens, the inclusion of Biotronic® SE forte reduced the total feed cost per 10 000 broilers. It is evident that, as the feed cost increases, the benefit of Biotronic® SE forte increases markedly (Figure 3). It can be seen in the example that feed costs increased by 36% but cost savings due to incorporation of Biotronic® SE forte increased by 214%!

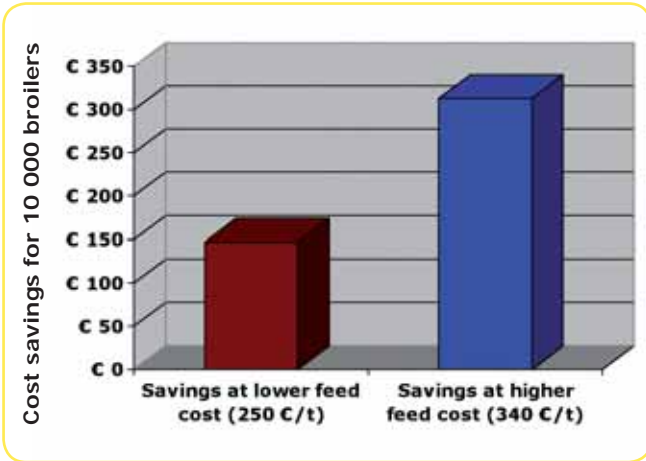


Figure 3: Cost savings due to use of Biotronic® for 10 000 broilers at different levels of feed cost

Biotronic® influences feed savings and cost savings at different FCR levels. Figure 4 shows basic FCR levels and possibilities of cost savings due to use of Biotronic®, which can improve FCR by about 5%. Figure 4 shows data based on the calculation above for 10 000 broilers.

As mentioned, feed costs vary depending on the country and there will be further price increases. Therefore one more example, (Figure 5) shows the influence of different feed cost levels on cost savings. Data for calculations were the same as shown in the example above (10 000 broilers, FCR improved from 1.8 to 1.71). The higher the feed cost are the higher the benefit is due to the use of Biotronic®.

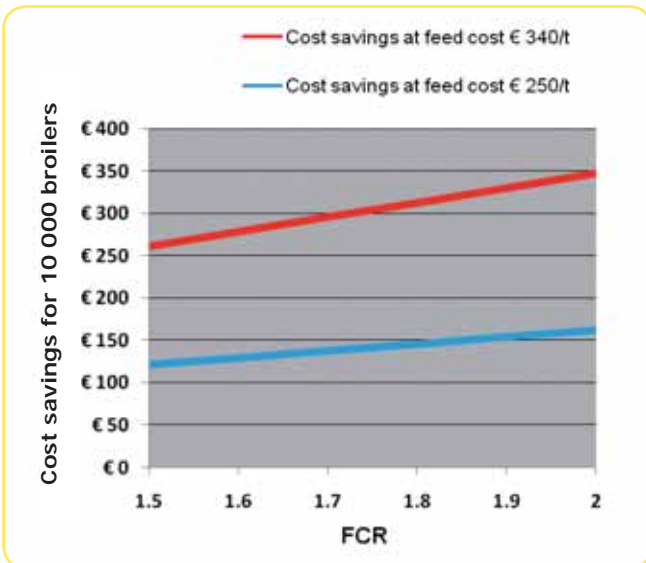
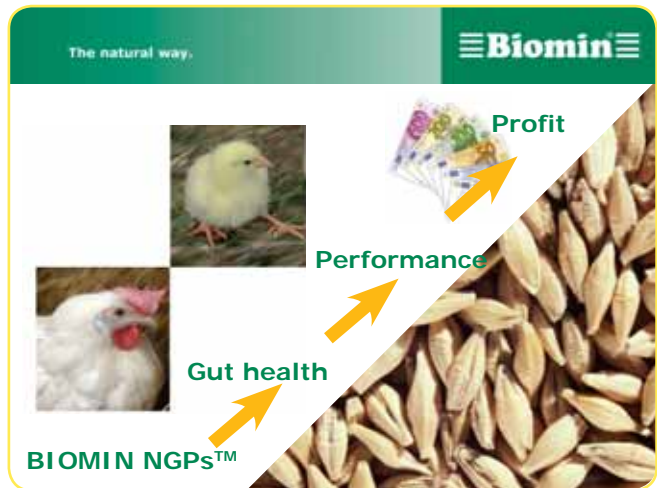


Figure 4: Possible cost savings due to use of Biotronic® for 10 000 birds at different FCR levels



Figure 5: Influence of feed cost increase on cost savings



Conclusion

BIOMIN Natural Growth Promoters markedly improve FCR and therefore help farmers to save money. Feed cost calculations incorporating FCR optimizing due to feed supplementation with Biotronic® SE forte highlights this effect. The noticeable outcome of this calculation is a profit difference between higher and lower feed cost. The multiple effects of cost savings because of incorporation of Biotronic® SE forte were observed. This means the higher the feed costs are the higher the benefit is due to the use of Biotronic®. A similar effect can be expected with the use of other BIOMIN NGPs™.

"Achieving peak performance!"



World Nutrition Forum

September 17th - 19th, 2008

Tyrol, Austria

> WHO TO CONTACT FOR QUESTIONS ON BIOTRONIC® PRODUCT LINE

Name: Nataliya Roth

Position: Product Manager

Education: 1992 – 1997 Meat technology, Academy of Veterinary Medicine, Lwiw, Ukraine
1999 – 2004 Food technology and Biotechnology, University of Natural Resources and Applied Life Sciences, Vienna, Austria

Since June 2007: Product Manager, BIOMIN GmbH

Address: BIOMIN GmbH, Industriestrasse 21, 3130 Herzogenburg, Austria
Tel. +43 2782 803 314, Fax: +43 2782 803 30
e-Mail: nataliya.roth@biomin.net



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We are looking forward to meeting you there!

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> LITERATURE

Financial Times 31 August 2007

World News (<http://www.wn.com/>)

The Cattle Site, 25 September 2007

Pig Progress, No. 8 2007

BIOMIN NGPs Trial Reports

> IMPRESSUM

Newsletter is published by Biomin GmbH

Editors: Michaela Mohnl, Dian Schatzmayr, Verena Starkl, Sigrid Pasteiner, Barbara Ruel,
Ursula Hofstetter, Yunior Acosta Arragón, Nataliya Roth, Tobias Steiner
Industriestrasse 21, A-3130 Herzogenburg, Austria

Tel: +43 2782 803-0, Fax: +43 2782 803-40; e-Mail: office@biomin.net, www.biomin.net, Publisher: Erich Erber