

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA AND FOOD EXPORT USA - NORTHEAST

# U.S. Feedlink

A publication highlighting information about the U.S. animal feed and pet food ingredients and additives industries

## WELCOME

Our new publication for feed ingredient buyers is meant to serve as a timely resource for industry news and trends as well as introductions to new products throughout the Midwest and Northeast U.S.

## Global Dairy Industry and Trends

World milk production is expected to increase by 1.6 percent annually between 2020 and 2029 and reach 997 million tons in 2029, according to a report prepared by OECD-FAO. This report reveals that the increase in milk yield is highly related to the diet.

### 2020-2029 Projections In Milk Production

World milk production is expected to increase by 1.6 percent annually between 2020 and 2029 and reach 997 million tons in 2029, according to OECD-FAO report. It is thought that the growth in herds and especially the increase in yield will be effective in the increase in milk production. Factors such as optimization of milk production systems, improved animal health, improved feeding efficiency, and better genetics are among the factors of productivity growth.

Country income per capita and the impact of regional preferences will be important factors driving this change in consumption. For example, per capita intake is expected to be high in India and Pakistan and low in China. In Europe and North America, total per capita demand for fresh dairy products is expected to decline, while demand for dairy fat, such as full-fat drinking milk and cream, is expected to increase due to the health emphasis. In Europe and North America, where cheese consumption is the highest, per capita consumption is expected to continue in the upcoming period.

### Production System and Productivity Relationship

The data in the OECD-FAO report reveal that the increase in milk yield is highly related to way of feeding. In countries where grazing-based livestock breeding is carried out, milk production increases are mostly related to the number of herds, while in countries where special feeding is common, production increases due to productivity.

According to the 2021 Global Feed Survey prepared by Alltech, the production amount in world dairy animal feed is around 128 million tons.

Although global milk production is expected to continue to grow there are challenges that include lingering effects of COVID, climate changes, environmental regulations, animal diseases, antimicrobial resistance, plant based products, and international trade agreements that can all have an impact on dairy production.

### Global Dairy Feed Production

| COUNTRY       | 2019          | 2020          | GROWTH    |
|---------------|---------------|---------------|-----------|
| Africa        | 5.97          | 5.8           | -3%       |
| Asia-Pacific  | 22.85         | 23.56         | 3%        |
| Europe        | 43.36         | 41.82         | -4%       |
| Latin America | 19.97         | 21.45         | 7%        |
| Middle East   | 6.59          | 6.26          | -5%       |
| North America | 28.30         | 28.30         | 0%        |
| <b>Total</b>  | <b>128.77</b> | <b>128.81</b> | <b>0%</b> |



## In 2022 the Aquaculture Stewardship Council (ASC) is launching a Feed Standard.

The result of years of development by a diverse group of experts comprising feed producers, retailers, non-government agencies (NGOs), farmers, and other stakeholders, **the standard requires that feed mills meet strict environmental and**

“Aquaculture is already providing over half of the seafood consumed around the world, livelihoods to millions of people, and without it we will not be able to achieve food security for a growing global population with a low carbon footprint,” says Chris Ninnes, ASC CEO. “But this positive impact will be undone unless the feed used by the industry is sourced responsibly.”

### ASC’s approach to responsible aquaculture

The Feed Standard extends the ASC’s approach to responsible aquaculture to the feed mills that manufacture aquafeed, as well as the suppliers of their ingredients. These mills will be audited against the standard, but they and farms will be given time to ensure their supply chains meet ASC requirements.

As well as environmental sustainability, mills must also ensure they and their suppliers are socially responsible. For instance, independent auditors must verify that mills are not using forced or child labor, pay and treat their staff fairly, and must not discriminate on any grounds. They must also be responsible neighbors, communicating proactively with their local communities.

ASC certified feed mills will have to record and report their energy use and greenhouse gas emissions; and work to improve energy efficiency, use of renewables, and water usage.

ASC is the world’s leading certification scheme for farmed seafood – known as aquaculture – and the label only appears on food from farms that have been independently assessed and certified as environmentally and socially responsible.

## ASC Feed Standard Bolsters Aquaculture



**social requirements; source ingredients from socially responsible suppliers; and use environmentally responsible raw materials.**

Issues in both the supply chain and at raw material level are addressed. Requirements on reporting of performance will also improve the transparency of the industry, reward environmental sustainability, and assist future research into responsible feed.

Feed mills are eligible for certification beginning Fall 2022. Farms will have 24 months to switch to ASC compliant feed to continue meeting the ASC Farm Standards.



## Top Nutrition Trends & Considerations for High Performance Dairy

Globally as it relates to dairy nutrition, universally the increase of milk production is still the top priority, but higher awareness is being paid to fertility, health and sustainability, including quick starts for dairy calves to get them to lactation faster. Here are some of the current top nutrition trends. You can also learn more about some of these trends during the education programming at the **World Dairy Expo Sept. 28 - Oct 2** and visit with U.S. feed suppliers.

- Rumen Fermentation & Microorganisms
- Non-GMO Feed & Feed Ingredients
- Mineral Nutrition
- Clean Feed & the Safety of U.S. Feed Ingredients
- New Technology for Digestible Forage
- Enhancing Fiber in Forage Rations
- Shift to Digestible Protein vs. Crude Protein



# demand in the ruminant feed market

Trending toward on-farm mixing by small farmers, millers, and livestock manufacturers to provide specific nutrients to ruminants in the required quantities, opportunities for increasing demand include:

- 1 high-value animal protein
- 2 increased awareness regarding the safety of meat and milk products
- 3 increased industrial livestock production

“Food Export’s Buyers Missions have been very helpful for our business. All events have been very well organized, and products and services offered by the U.S. suppliers we met are top of the line. I highly recommend Food Export – Midwest’s events.”

Alex Quintaro | Marketing & Sales Director  
Grupo Agroindustrial | San Jose, S.A., Panama

## innovation spotlight

### Prairie Aquatech Leads Industry

This award-winning company has been recognized by the Global Aquaculture Alliance and was awarded the Aquafeed Innovation Award for Ingredients. During the past 10 years they have taken concept to reality in the creation of ME-PRO with the only commercially scaled feed enterprise that solves the complex sugar and protein issue of plant based proteins making them more bioavailable. This product can be utilized across animal agriculture, but has the greatest potential in aquaculture thanks to a patented process that removes the anti-nutrition factors minimizing the nitrogen and phosphorus that pollute water.

[prairieaquatech.com](http://prairieaquatech.com)

### EVENT HIGHLIGHT: World Dairy Expo

Sept. 28 – Oct. 2 | Madison, WI | [worlddairyexpo.com](http://worlddairyexpo.com)

The World Dairy Expo is a who’s who of the dairy industry from around the world and offers a chance to meet new suppliers and explore ideas, education, technology, and commerce meant to improve and serve the continued growth of the industry. Expect more than 50,000 attendees from dozens of countries with over 800 exhibitors and more than 2300 head of cattle. Connect with vendors that can share info on alfalfa meal and pellets, amino acids, beet pulp, high protein corn meal, lysine, microbial feed additives, milk replacers, pre-mixed feeds, soybean meal, vitamins and minerals and whey products.

**Virtual Buyers Mission: Dairy Feed Ingredients & Additives**

Sept. 27-29 | Madison, WI

Contact us at [info@foodexport.org](mailto:info@foodexport.org) for more info.

## featured products



For more information about these or other Featured Products please email: [feedlink@foodexport.org](mailto:feedlink@foodexport.org)

**Enzeco® Purified Papain RS 300**  
Enzyme Development Corp.  
New York, New York

Papain is a purified food grade proteolytic enzyme product specially processed from the dried latex of the fruit of Carica papaya, without the addition of sodium metabisulfite, resulting in a papain with substantially reduced levels of SO<sub>2</sub> and suitable for use in Organic Pet Food and Feed.

[enzymedevelopment.com](http://enzymedevelopment.com)



**ME-PRO**  
Prairie AquaTech  
Brookings, South Dakota

ME-PRO is a high quality, highly digestible, and sustainable plant-based feed ingredient, designed for maximum versatility. Protein content and amino acid profile of plant-based proteins are improved while removing anti-nutritional factors that impede growth and development.

[prairieaquatech.com](http://prairieaquatech.com)

**US Bakery Meal**  
International Feed  
Excelsior, Minnesota

Bakery Meal is a high-energy, nutrient dense, highly palatable dried component. Made from a mixture of food by-products that have been separated from nonedible material, then mixed, ground and dried. Bakery Meal can be used in broiler, turkey, layer, swine, dairy, and beef cattle feed producers.

[internationalfeed.com](http://internationalfeed.com)



**NexPro®**  
Sioux Falls, South Dakota

NexPro® is a next-generation protein ingredient derived from the dry-mill ethanol production process. It contains a high concentration of yeast protein and is an excellent source of lysine and methionine. NexPro is a great choice for a multitude of animal feeds including pet food, aquaculture, swine, dairy, and poultry.

[poet.com](http://poet.com)



## Rising Feed Prices Require Ration Balancing Solutions to Manage Costs

The U.S. animal protein sector is expected to see a 12% increase in feed costs in 2021, and it's putting a pinch on profits according to a new report from CoBank. In fact, higher corn and soybean prices are expected to see the highest year-over-year inflation since 2011.

Economists and marketers can point to a variety of factors, including strong Chinese demand as their pork industry recovers, trade policy changes, inflation, global weather patterns and the lingering effects of COVID on everything from consumption to shipping.

When Arlan Suderman, chief commodity economist with Stone X Group was asked to weigh in on this upward price trend he called it a commodity supercycle similar to the 2008 peak. Suderman further explained that these cycles tend to occur every 30-35 years which would make this one early or premature, but there are many indicators suggesting we are starting a new supercycle early and that producers should be concerned about higher prices for months or possibly years to come.

With rising commodity prices, producers around the globe are looking for affordable and reliable sources of protein and alternative feeds while researchers around the world have been studying and exploring different protein sources and ration optimization.

In fact, research out of Italy and supported by the Food and Agriculture Organization is exploring the use of insect protein as a feed ingredient. Insects are considered safe, nutritious, and sustainable with good feed conversion rates when fed to ruminants. Research continues to identify insect species and breeding techniques that will allow for the standardization of the outcome related to protein, vitamins and minerals.

Now more than ever, animal feed suppliers and nutritionists must work together to design nutritional strategies to enhance ruminant performance, productivity, and profitability. This will require the continued exploration of price reducing feed strategies like the incorporation NPN products like urea and feed supplementation, but also the compounding of a variety of feed ingredients for rations.

## US Feed Supplier Discusses Role of Traceability & Sustainability in Feed Ingredients

We asked Mark Luecke, CEO of Prairie Aquatech, one of our Featured Product Companies, to share his thoughts on the future of the feed ingredient business.

Luecke is passionate that feed manufacturers should focus on traceability and sustainability. He highlighted the evolution of consumers and their expectation that the products they buy – whether as feed for their own animals, or as a finished product like meat or dairy – must have a supply chain history that provides complete transparency and play a role in environmental responsibility.

In fact, Prairie Aquatech believes that their products should start with better raw materials, offer better performance, and ultimately yield a better environmental impact. They ask more of every grower in their network and have an expectation for non-GMO crops, use of regenerative agriculture practices and preservation identity to enhance the entire supply chain while aiming to achieve a carbon positive impact with their feed ingredients. Luecke believes carbon neutral is not enough.

In the last 6-12 months, nearly all top feed manufacturers have announced initiatives to promote sustainable supply chains and consumer headlines are prompting conversations about environmental impact related to food production and consumption. But Luecke is quick to remind us that although plant based meat and seafood are trending, growing populations and economic shifts in developing nations will require more protein from every sector, both animal and plant based, creating expanded opportunities for every feed manufacturer.

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**“It will take relentless focus on sustainability and traceability to meet the demands of buyers around the world to produce products that consumers want and trust. We will be responsible for telling the story behind those products and continuing to raise the bar as we build true supply chain partnerships.”**

**Mark Luecke | CEO | Prairie Aquatech**

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## Feed Ingredients May Reduce Methane

A two-year trial in Alberta, Canada in the beef industry, showed an 80% reduction in methane emissions with zero negative effects on animal health and performance. The novel ingredient reduces enteric methane formation in ruminants and is considered breakthrough technology. This study is just one of many occurring around the world and exploring varying feed ingredients to reduce methane production.

but also feed ingredients destined for global markets.

## Online Learning Program Offered for Probiotic Supplements

CHR has developed an online learning tool to gain insights into the use and feeding of probiotic supplements. The four-part series is free and highlights modes of actions including interaction with feedstuffs, interaction with other microorganisms and interactions with host, offering a better understanding of how probiotics work and how they are beneficial.

## Research Boasts Value of Pelleted Rations for Fattening Lambs

New research out of China indicates that pelleted total mixed rations offer intensive feeding effects over loose concentrate forage for fattening lambs. Research indicates that feed intake and daily gainer were higher for pelleted products and may offer an additional feed strategy for lamb fattening operations.



## Europe Launches Soy Benchmarking Tool

As global trends drive sustainable solutions, the European Feed Manufacturers' Federation (FEFAC) and the International Trade Centre (ITC) have launched the Soy Benchmarking Tool, along with the FEFAC Soy Sourcing Guidelines 2021. Europe is one of the largest markets for soy ingredient feeds and the government directive is to make sure that the soy sourced and imported is sustainable and does not contribute to deforestation or other social or environmental issues.

*If you would like more information about our news briefs please email [feedlink@foodexport.org](mailto:feedlink@foodexport.org).*

# news & trends

## Hemp Biomass May Provide New Feed Alternative

Researchers throughout the U.S. have been evaluating the potential for hemp biomass as an animal feed. It is similar in texture and chemical composition to alfalfa and is a rich source of protein, fiber and minerals. Hemp is not an approved feed ingredient by the Food & Drug Administration, but industry experts are continuing to research the product and it's opportunity for the animal feed market.

**International Feed** was recently recognized in the Top 50 of the Top 100 Exporter Rankings by the *Journal of Commerce* online.

# Asia Pacific is the fastest-growing market for ruminant feed ingredients

## Global Shipping Challenges Impact Feed Prices

Pandemic related shipping challenges have continued to pile up, challenging everything from availability of shipping containers and pallets to port closures and delays related to COVID outbreaks among dock workers. These challenges continue to impact consumer goods,

# USFeedlink

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## MISSION STATEMENT

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# events

## September 2021

- Virtual Buyers Mission, World Dairy Expo, Madison, Wisconsin

## November 2021

- VIV MEA, Abu Dhabi, UAE
- Ildex Indonesia, Jakarta

## January 2022

- Buyers Mission, IPPE, Atlanta, Georgia
- VIV Asia, Bangkok, Thailand

## Spring 2022

- Buyers Mission, Pet Food Forum, Kansas City, Missouri

## June 2022

- Buyers Mission, World Pork Expo, Des Moines, Iowa

*Event dates subject to change.*