



NUTRITION NOTES

Innovation + Research from Kent Nutrition Group

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WHEN CORN IS CHEAP: SHOULD I STILL FEED ETHANOL BY-PRODUCTS?

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As corn gets cheaper, this is a familiar question. Many producers are under the impression that if DDG or wet byproducts are higher priced than corn, they are not a good buy. Actually, they can still save money on their total feed cost by using byproducts, because they are going to use a lower inclusion balancer instead of a 40% finisher fed at 1-2 lb/head/day. If your customer insists on dropping distillers, that is his decision, I am just providing you the economic facts in this scenario.

I ran some projections using corn, hay and 40-20 vs corn, hay, WDG and balancer. I looked at \$3.20 corn down to \$2.50/bushel. I used modified distillers grain at a constant price of \$65/ton, which is equal to about \$3.40 corn. WDG was used at 20% of the diet dry matter in both cases.

Below is a table showing costs for this comparison. It was run using 900-lb steers fed to 1500 lb. Obviously, purchase price will affect cost of gain and breakeven, but this gives you a general idea of the differences.

	Conv	WDG	Conv	WDG
Corn Price	\$3.20	\$3.20	\$2.50	\$2.50
ADG	4.07	4.07	4.07	4.07
F/G	689	689	689	689
Cost of Gain	\$76.72	\$68.47	\$67.61	\$61.51
Breakeven/cwt	\$103	\$100	\$99	\$97
Total Feed \$	\$345	\$297	\$292	\$256

As you can see, the advantage is \$48 with \$3.20 corn and \$36 with \$2.50 corn. The rest of the ingredient costs were hay at \$80 and supplements at approximately \$500/ton. Each situation needs to be evaluated on its own merit, but hopefully this gives you some figures to help your producers make a wise decision.

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