

3-STEPS TO BETTER FEED BUYING DECISIONS

When it comes to buying feed, you have choices. You can actively manage bought feed quality, supply and price risks, or you can leave things to chance and ignore the impact poor risk management and flawed buying decisions could have on your business.

Using a 3-step buying process enables you to effectively manage your quality, supply, and price risks. It provides you with confidence that you have considered all the risks and have a plan to manage them.

KEY MESSAGES

Plan well – prepare feed budgets regularly and determine the maximum feed price you can afford to pay and still make a profit for your business

Buy right – take into consideration feed quality, feed supply as well as price risks

Feed carefully – avoid unnecessary feed losses through wastage at delivery, storage and feed-out



Plan

- Feed budget
- Target feed price for profit

Tips for success

- Ensure your feed budget is based on realistic assumptions, is free from errors and makes allowance for feed wastage. Consider getting help from an adviser.
- Ensure formulated diets encourage healthy rumen function and maximum feed to milk conversion rates.
- Accurately calculate your target feed price to achieve your target business profit.



Buy

- Quality
- Supply
- Price

Tips for success

- Aim to achieve maximum \$ value per unit of energy and protein.
- Check feed thoroughly before buying and at delivery for quality.
- Gain access to accurate feed market information.
- Stay within your pre-determined target feed price.
- Develop sound and professional relationships with suppliers.
- Secure supply using contracts.



Feed

- Store feeds
- Feed diet to herd

Tips for success

- Manage risks around feed shrinkage, spoilage and/or contamination during receipt and storage.
- Ensure formulated diets are correctly put together (mixed).
- Ensure milk production levels achieve budget.
- Ensure feed usage stays within budget by managing feed conversion and minimising feed wastage.