

MEASURING TOMORROW'S SUCCESS TODAY

How Selecting Nutrition Suppliers Can Improve Your Bottom Line

How many dollars per pig are you missing out on by not managing variability? It's a question Provimi's Mark Hulsebus, Commercial Director, Pork, asks his team, systems and industry professionals every day when it comes to getting nutrients to the right pig at the right time. Handling nutrition profitably depends on making every dollar count.

"There are dollars being left on the table when it comes to overall profitability, especially when you take a deeper look into nutrient and supplier variability," Hulsebus says.

In today's industry, some pork producers prefer to adjust diets monthly, even quarterly, while the ingredients in those diets may swing substantially in price and nutrient value during that time.

"Nutrient variability costs you money," Hulsebus says. "We now have the technology and ability to look at ingredients nearly in real time, giving the producer and their swine nutritionist the power to update diets weekly, if needed, to ensure that the right nutrients are going to the right pig at the right time."

Profitable Nutrition Choices — How Do We Measure Success?

With a database of more than 2 million ingredient samples submitted by customers and analyzed by labs, Provimi Nutrition Analysts, like Tammi Staebler, have a world of knowledge at their fingertips.

"When we test for nutrient values, we're looking at more than just individual ingredients and cost," Staebler says. "Swine diets are based on budgets, age, growth stage, seasonality, net energy demands, genetics and even health status."

Provimi is a Cargill company and part of the business's Global Nutrition Network, so Staebler uses Cargill's Nutrition System (CNS) and its accompanying tools to compile a supplier list to compare recent supplier data, including current nutrients and variability against actual diets to determine relative value.

"Relative value per ton of cost is computed with the highest cost being ranked at zero," she explains, "and the value of each is measured by the savings versus the highest-cost option based on our nutrient analysis. Each ingredient is assessed in a formulation matrix that is customizable to the producer

to account for how the diet may change with dynamic ingredients and changing prices." The analyst also considers non-ingredient costs, such as freight and mycotoxins.

Case Study: For AMVC, Variability Is the Enemy

With a swine management presence in 10 states overseeing some 149,000 sows and 1.6 million market hogs, AMVC has come a long way since it began pig production in 1993 with two barns and 2,000 finish pigs in west central Iowa.

Now the 10th largest pork producer in the U.S., the scope of AMVC's operations means that even a small ripple can make a big wave on the other side. Case in point: swine nutrition.

"What you don't know leaves dollars on the table," says AMVC Nutritionist Trey Kellner. "Space is often tight, and we want to get the most value out of every pig. We must know how much variability our system can handle. For us, variability is our enemy."

A simple change in ingredient nutritional value, such as when an ethanol plant increases

the speed of its production, can make a huge difference in the nutrients coming out of the plant in the form of dried distiller grains (DDGs).

"Having a partner like Provimi is very important to our ability to account for those shifts that can help us adjust our formulations based on actual nutritional values rather than static book values," Kellner says.

Working with Provimi was especially beneficial in early 2020 when the system had to back down pig growth due to industry-wide processing slowdowns.

"We had to find a way to slow growth at different rates for different flows of pigs," Kellner says. "We had to figure out what we needed to change nutritionally on our grow-finish diets. Having the ability to examine the ingredient mix and model different diets — sometimes on a daily basis — was a lifesaver for us." For more information on digital nutrition and Provimi's age-based approach to optimal swine nutrition, visit provimiUS.com.

How Would an Extra \$1 Per Pig Change Your Profitability?



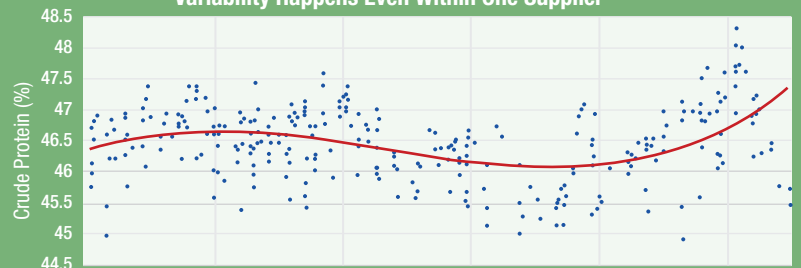
Typical analysis reveals that many systems are leaving up to \$1 per pig on the table when choosing nutrients and suppliers.

Simplified Actual Report*

Corn DDGS	Supplier D	Supplier B	Supplier C	Supplier A
Relative Value (\$/Ton)	\$0.00	\$3.47	\$15.99	\$19.73
PROTEIN	26.62	28.33	29.35	32.89
FAT	6.61	6.09	7.41	7.62
MOISTURE	10.59	11.53	9.69	10.57

*Actual reports include detailed nutrient makeups including net energy per phase, DIG nutrients and additional insights as tailored to each flow in a system.

Variability Happens Even Within One Supplier



Over a 9-month period, variability is apparent even within the same supplier across 307 samples.