

The Rising Costs of Organic Feed
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At chore time I gather up a gaggle of five gallon buckets at the feed room door and prepare supper for the animals under my care. Our feed is stored in huge wooden bins above my head in the hayloft. Every few weeks a truck from Lakeview Organic Grains delivers several tons of mixed feed and blows it through pipes into our bins. A very “high tech” system of sliding wooden doors gravity feeds the grains down through pipes through the feed room ceiling and into my waiting bucket. The coarsely ground mash of corn, oats, roasted soybeans, kelp, minerals, and vitamins fills my bucket with 33 lbs of dinner; enough for a couple hundred hens or a dozen dry (not lactating) sows. The grains are ground and mixed in Pen Yann, New York by Lakeview, which purchases as much grain as possible from upstate farmers. It’s important to us that our feeds are not only organic, but also grown locally. It’s the balance we seek for bringing in feed from other farms; we want it to come from the closest, most sustainable farmers in our area. In addition we supplement the hogs and hens with our own forage crops; improving, diversifying, and reducing the cost of their diet. So as I haul buckets of grain feed into the hen house I also provide them with beets, turnips, and other vegetables to peck and scratch through the long winter. The hogs, too, revel in other local winter treats as I throw them buckets of Westhaven Farm apples and Sacred Seed Farm carrots.

Every year we push to raise and procure more and more forage crops for our livestock. Originally the focus was mainly to improve diet diversity, but as feed prices continue to rise, it may become important to our bottom line as well. Over the last couple of years organic grain prices have steadily risen providing a much-appreciated boost to grain growers, but challenging livestock producers who do not grow their own feeds. Larger livestock producers who have the land base and capacity to grow their own feeds are largely insulated from rising feed prices, but not from other rising expenses such as fuel and labor. We have always contended that it makes sense for us to leave the feed production to the local grain farmers who farm enough acres to justify the use of combines and the feed mills with proper drying, grinding, and mixing facilities. Even if we did have the land base to grow small grains could we economically or sustainably justify the purchase and maintenance of such equipment? We realize that as small farmers we are in a strange gray area: too big to grow and handle all the feedstuffs for our animals with simple tools, and yet too small to justify the use of a combine or other large equipment. There is, however, no shame in purchasing feeds, particularly if they are locally and sustainably grown. It leaves the grain farmers to do what they do best, grow field crops; and us to do what we do best, raise hogs and hens.

To get an idea of how much our feed prices have gone up and therefore determine how much we need to change our product prices, I looked back two years. We purchase our feed by the ton and have it blown into our bulk bins so our costs are certainly lower than if we bought by the bag, but they have still risen substantially. In January of 2006 we were paying \$250/T (ton) for certified organic corn, \$640/T for certified organic roasted

soybeans, and \$220/T for certified organic oats. Along with these base ingredients in our feed we have additional costs for kelp, nutribalancer (vitamin and mineral supplement), grinding, mixing, and delivery. This year feed prices have shot up, primarily due to corn prices. For our most recent feed delivery we paid \$400/T for corn, \$700/T for soybeans, and \$290/T for oats. Why corn has nearly doubled in price is due to a number of market forces.

One of the primary market forces in our area was the conversion of many dairies to certified organic in 2006. NOFA-New York Certified Organic LLC now certifies over 200 dairies in New York and surrounding states. Even though most dairy farmers grow the majority of their feedstuffs, many still purchase some feed for their herds. Increased demand here and across the country has resulted in some shortages and higher prices, particularly for corn. Consumer demand for more milk from all grass-fed cows could reduce the need for organic grains to feed ruminant herbivores (cows, sheep, and goats) and free up more grains to feed omnivores like hogs and chickens. While hogs and chickens can obtain a good deal of nutrition from grazing, they are not ruminants and do not have the capacity to process exclusively grass and legumes like cows do.

The increase in ethanol production has also driven up the price of corn. As the price of conventional corn doubles it becomes more appealing for farmers to keep their acreage in conventional corn for ethanol than to convert to organic feed corn. If corn is considered more valuable for fuel than food then good organic corn for feed could become scarcer and therefore more expensive.

The third impact on organic grain prices is the increase of large “corporate organic” farms. As corporations like Tyson come out with “organic” lines of chicken or pork demands for organic grains will increase. These corporations have tremendous purchasing power and can corner the market on feed grains leaving small feed mills scrambling to find grain. Regional mills like ours try to insulate their customers by contracting with and purchasing from local producers, putting in additional storage so they can purchase more at harvest time when prices are lower, and limiting their growth so they are able to fulfill the needs of their current customers. Forethought like this fosters a great deal of loyalty from farmers, both grain producers and consumers.

So as I feed the hens their dinner I distribute the feed carefully and evenly down the feeders; making sure everyone gets their meal and nothing gets wasted. The ladies line up to eat, clucking contentedly and jockeying for the best spot. I fill the hay nets with leafy organic alfalfa (Kirby Farms), distribute roots around the house for snacking, and refill water drinkers. We expect a feed delivery this week if the snow ever clears and we expect the bill could be larger. But the ladies are laying fairly well for a snowy December and they’ll be able to pay for their supper.

For more information on national feed prices and stories on organic feed see www.newfarm.org.