



Feed prices still under pressure 1

Safe 'n Lite Testimonial from Cape Town 1

# facebook

Equus now on Facebook.

Visit Equus on Facebook for the latest news and keep us up to date with the achievements of all Equus fed horses

[CLICK HERE](#)

## Feed prices still under pressure

Agricultural commodities are still in tight supply globally, especially cereals and plant proteins which have the biggest effect on the price of horse feed.

Unfortunately, what happens in the USA affects the rest of the world and, at present, their year ending stock of corn shows a 5.2% stock to usage ratio which is the second tightest ever recorded. At present, a combination of several factors worldwide is driving commodity prices higher. These include droughts and severe flooding in different regions, growing demand from China as well as ethanol production.

*(continued on pg 2)*



## TESTIMONIAL FROM TERI SMITH IN CAPE TOWN

I just have to tell you that **Equus Safe 'n Lite** has literally saved Flea's life! Flea is an 11.1 hh Welsh Mountain Pony, who came to us with a history of colic. While with us, she also became slightly laminitic. Although she never developed full-blown laminitis, we had to be careful about how long she was allowed out on grass. Then, to make things worse, she had a severe episode of choke. Between the colic and the choke, had Flea been a cat, she would have used up her 9 lives!

Anyway, since changing her feed to **Equus Safe 'n Lite** a year ago, she has lost weight, her general condition has improved, and she has had no colic where she used to have 4 to 5 bouts a year. She is now nearly 22 years old, and her teeth are not as good as they used to be, so the best form of roughage for her is grass as she struggles to chew anything else properly. She now lives out and grazes all day (except when she is working) with no sign of laminitis!

I can highly recommend **Safe 'n Lite** to anyone who is struggling with overweight, laminitic ponies - it works!! Thank you, Equus Feeds!!!!

Teri Smith

## Bio- Fuels

The demand for more allegedly sustainable eco-friendly sources of energy has led many farmers to convert their land away from arable food production e.g. cereals into the more profitable business of growing crops for bio-fuel. This obviously has an effect on cereal prices as demand outstrips supply.

The UN has highlighted that whilst bio-fuels may be environmentally friendly, their impact on 'staple' food prices (e.g. wheat) could lead to widespread food shortages and famine especially in developing countries. However, on a more positive note, the high prices of cereals may convince farmers to return to arable food production, although this may take some time.

## Increasing Demand

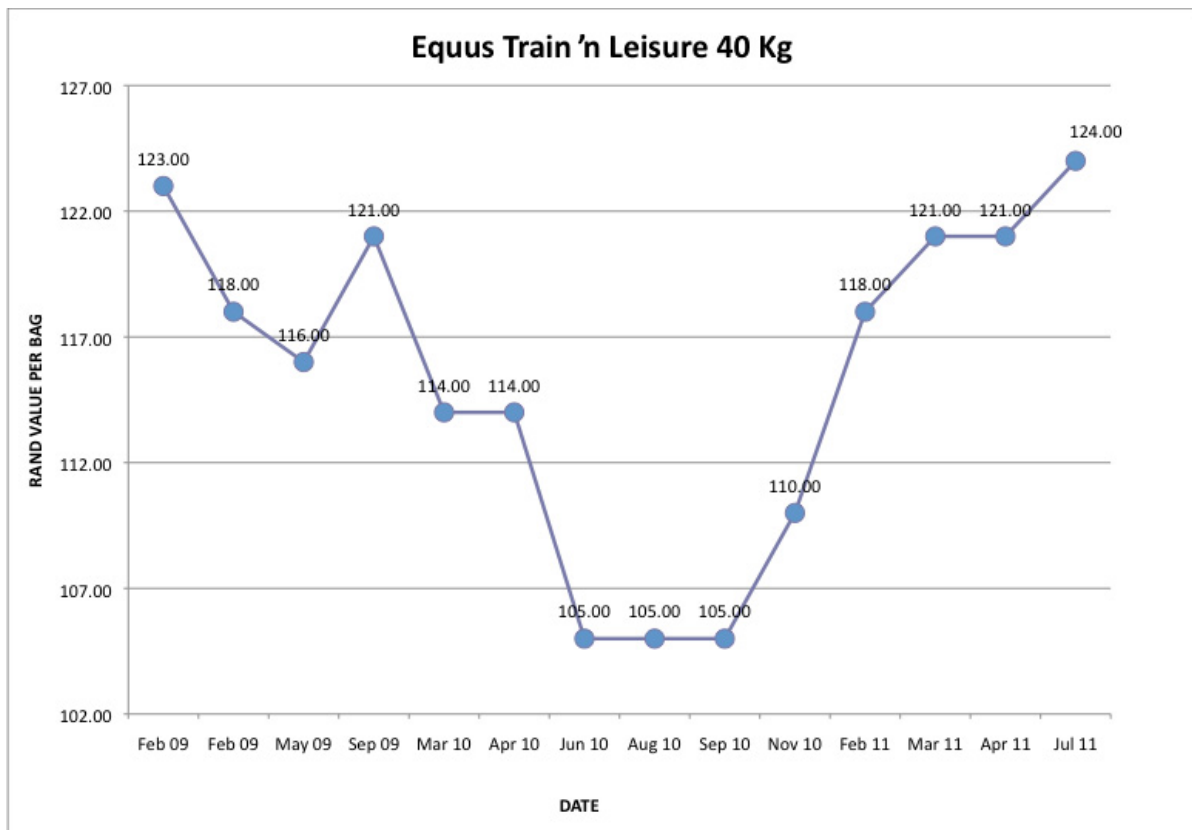
The population explosion in countries such as China and India, where the populations are expected to reach 1,488 and 1,331 million respectively by 2020, is having a massive impact on international food stocks. Not only does this mean that there are an increasing number of mouths to feed, but growing wealth in these developing countries has also seen meat become a much more desirable and attainable food source.

By 2018 the US Department of Agriculture predicts that the imports of pork to China will have doubled. This will place further strain on cereal demand as cereals provide a vital source of food for animals (e.g. pigs) reared for meat. In addition, as these countries develop and become more westernised their consumption of wheat based products will also increase.

## Some Perspective for the South African Horse Owner

Whilst the leisure horse owner with only one or two horses may not feel the present price increases too severely, many professional trainers, breeders and riding schools are feeling the pinch. But how bad is the situation?

Although there have been two price increases this year, it is important to see this in perspective. The graph below shows as an example how the price of **Equus Train 'n Leisure** fluctuated over a 30 month period from February 2009 to July 2011.



Some interesting observations can be extrapolated from the graph:

1. The **Train 'n Leisure** price on 1 July 2011 is only R1.00/40kg (one SA Rand) more expensive than in Feb 2009. This represents a 1% increase from 2009 without taking inflation into account which would actually reflect a price decrease in real terms.
2. There were 9 price changes over this period of which 4 were downward adjustments.

\* **Note:** these prices are for the **Train 'n Leisure** 40 kg bags. The much more economical 50kg bag was not yet available in 2009.

### What does the future hold?

Unfortunately it appears that the price of horse feed is not going to decrease in the foreseeable future. We can, however, assure our **Equus** clients that, as in the past, prices will be adjusted downward as soon as the price of raw materials allows.



### Are there any alternatives?

The only way manufacturers can avoid price increases when the prices of raw materials rise is to lower the quality of the feed. Budget line products can easily achieve this by using “least cost formulation” programmes which still conform to the specifications as stated on the bag tag. This software finds the cheapest possible way to achieve, for instance, a 12% protein feed by using lower grade raw materials without considering the critical aspects necessary to ensure long term health and performance. It is important to know that poor quality, and composition of, raw materials can still meet the specifications on the bag tag.

The use of high quality raw materials and the correct composition thereof are paramount in achieving the objectives of optimum nutrition for equines. Feeding cheaper, or lower quality, feed may seem attractive financially but this has been proven over and over again to be a more expensive exercise in the long term. It is important to consider the much smaller amount of high quality feed required to obtain the desired performance compared to bigger volumes of poorer quality feeds and, further to this, other risks involved such as colic or laminitis to name a few.

### What does Equus Feeds offer?

The short answer is that **Equus Feeds** is not prepared to sacrifice on quality. Our philosophy is rather to lose the less discerning client prepared to sacrifice quality for a lower price for the short term, than to fall back on least cost formulation strategies to minimize or prevent price increases.

Careful purchasing has enabled us to keep price increases to a minimum and our team is available at all times to assist in ensuring that you are feeding as economically as possible without compromising the health and wellbeing of your horses.

Certain small changes in your choice of product in the range or even the blending of products could completely nullify the effect of a price increase. We invite you to contact us should you wish to ensure that you are doing everything possible to keep your feed costs manageable.