USDA Agricultural Outlook Forum 2007

ETHANOL PRODUCTION: IMPLICATIONS FOR POULTRY FEEDING

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Projected Ethanol, By-product Production and Usage for Ethanol

	2006/07	2007/08	2008/09	2009/10	2010/11
Ethanol Produced, billion gal.	4.95	6.29	7.33	8.39	9.20
Corn required, billion bu.	2.15	2.51	2.91	3.22	3.46
Ethanol by-product feeds (dry basis), million tons	14.37	17.40	20.82	23.41	25.45
Corn crop, billion bu	10.74	11.48	11.99	12.27	12.50
% Corn crop	20.01	21.86	24.27	26.24	27.68
Net results – increases in ethanol, corn price, corn acreage, feed use of by-products? and decrease in corn exports?					RI, 2006

Types of Distiller's By-Products From Dry-Grind Ethanol Plant

- Wet distiller's grains
 - Fed primarily to beef, some dairy
- Dry distiller's grains
 - Fed to beef and dairy
- Wet distiller's grains with solubles
 - Fed to beef and dairy
- Dried distiller's grains with solubles
 - Fed to dairy, swine, poultry, some beef
- Modified wet cake (blend of wet and dry distiller's grains)
 - Fed primarily to beef, some dairy
- Condensed distiller's solubles
 - Fed to beef and dairy
 - Ontario, Canada swine liquid feeding system

The poultry (and swine) sector(s) have the greatest potential for increased DDGS usage

Corn Distillers Dried Grains and Solubles



Nutrient Composition of DDGS for Poultry

Component (%)	Mean	Range	CV (%)
TME (kcal/kg)	2,863	2607-3054	3.6
Lysine	0.73	0.59-0.89	11.6
Lysine Dig.	72	59-84	11.2
Methionine	0.49	0.41-0.60	9.7
Methionine Dig.	88	85-92	1.9
Threonine	0.98	0.85-1.14	6.0
Threonine Dig.	76	69-83	4.8
Fat	10	4-16	4.8
Ca	0.03	0.02-0.04	38.4
Ρ	0.73	0.62-0.77	5.3
Na	0.24	0.05-0.45	32.8

Practical Issues with DDGS Use in Poultry Diets

Availability

Price!!

Product Consistency – Predictable

- Nutrient variability
 - Moisture, Crude protein, Sodium, Fat, etc.
- Nutrient digestibility (esp. for lysine)
- Reliance on one Supplier?
- Logistics and Handling Flow-ability
 - Pellet quality
 - Particle Size
- Mycotoxins

High fiber limits its maximum inclusion level

Increasing Costs

Increasing price of corn

- Increased price of DDGS
- Currently DDGS is priced at about 110% of corn
- To be economical for poultry DDGS needs to be priced at approx. 80% of corn

Increasing price of energy

- Corn is the main energy source in poultry diets
- Increasing feed costs
 - Estimated 18% increase in poultry feed costs
- Increase in food costs?

DDGS – Product variability/consistency

Grain input:

CP% of corn 6.8 x 3 = 20.4% CP
 0.22 % lysine x 3 = 0.66% lysine

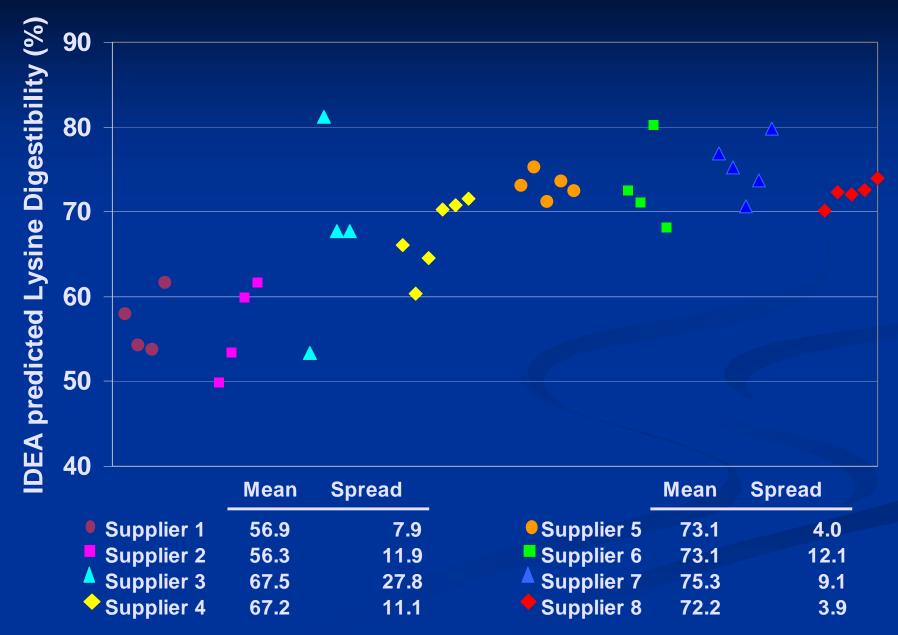
- CP% of corn 8.2 x 3 = 24.6% CP
 0.30 % lysine x 3 = 0.90% lysine
- Processing at plant
- Drying temperature
- Solubles
 - Amount added back
 - Change nutrition profile
 - Syrup balls

Nutrient composition of distiller's dried grains and distiller's solubles

	Distillers dried grains	Distillers Solubles
Crude Protein, %	34	19
Lysine, %	1.05	0.68
Methionine, %	0.66	0.27
Threonine, %	1.27	0.70
Crude Fiber, %	10	3
Fat, %	8	16
Total P, %	0.54	1.30

*Values are expressed on a Dry Matter basis

DDGS Product Variation Between Supplier/Plant



DDGS – Over-processing/High Drying Temps

Effect on Lysine Availability Decrease in lysine availability due to overheating Effect on Phosphorus Availability Increase in P availability with heating Inverse relationship between lysine and P availability Increase in peroxidation values – increase in rancidity?

	1	Color	2		3	
Spl	L* (Lightness)	b* (Yellowness)	a* (Redness)	Total Lys	Lys Dig. Co	Dig. Lys
1	60.3	25.9	5.0	0.86	76.8	0.66
2	57.7	18.3	6.2	0.82	72.1	0.59
3	50.4	7.41	5.2	0.39	45.8	0.18
Color ([′] L*, b*, a*) wa	s measured wit	h a Minolta C	hroma Mete	er CR-300	

Available Phosphorus (P) in DDGS

Ingredient	% P	Avail. P %	% Phytate P	% Avail. P
Corn*	0.28	0.08	0.20	29
SBM*	0.62	0.22	0.40	35
DDGS*	0.72	0.39	0.33	54
DDGS (UGA) ¹	0.74	0.47	0.27	<mark>64 (68)</mark>
DDGS (UI)	0.73	0.60	0.13	69-102 (82)
(MSU)		(approx.)		76-85 (80)

¹ Average of 9 DDGS samples varying in color and plant location.

* NRC (1994) values for poultry

Sodium (%) Composition of DDGS

Sample	Sodium	
1	0.09	
2	0.12	
3	0.29	0/
4	0.11 Avg. 1-7 = 0.13	070
5	0.12	
6	0.11	
7	0.09	
8 ¹	0.42	
9 ¹	0.44	00/
10 ¹	0.39 Avg. 8-12 = 0.42	2%
11 ¹	0.43	
12 ¹	0.43	
Average ± SD	0.25 ± 0.15	
NRC (1994)	0.48	
Projected	0.06	

¹ Samples obtained from same plant at different time periods

DDGS

Handling/Flowability/Pellet Quality

- DDGS setting up in rail cars, trucks, barges still a problem
 - Effect of supplier
 - Currently no flow agents have been found that correct the flow or handling problems of DDGS, Some help
- Increasing DDGS use in diets— negative effect on pellet quality
- Bin space at feed mills?

DDGS use in Poultry Diets

What DDGS Replaces in Poultry Diets

Corn 7.5% CP, 3,390 kcal/kg (1,540 kcal/lb), 0.24% lys Soybean meal 48% CP, 2,458 kcal/kg (1,115kcal/lb), 3.02% Lys Phosphorus Reduce P supplementation Meat and Bone meal (Poultry Byproduct meal)

Other Changes in Poultry Diets with the Inclusion of DDGS

Increases in:
Fat
Lysine
Limestone

Nutrient Composition (as-fed)

		DDGS		
	Corn	(new generation)	SBM	
TME, kcal/kg (Poultry)	3,390	2,800	2,458	
Crude Protein, %	7.5	27 (23 to 29)	47.8	
Lysine, %	0.24 (81% avail.)	0.80 (75% avail.) (range 0.65 to 1.09)	3.02 (91% avail.)	
Methionine, %	0.18 (91% avail.)	0.51 (85% avail.)	0.70 (92% avail.)	
Crude Fiber, %	1.9	8.5	3.0	
Fat, %	3.5	9.0 (3 to 12)	1.0	
Total P, %	0.25	0.89	0.65	
Avail. P, %	0.09 (36% avail.)	0.55 (62% avail.)	0.21 (32% avail.)	
Dry Matter = average 88%, range 83 to 91%				

Metabolizable Energy (ME) Distribution of Corn and DDGS for Poultry			
	Corn	DDGS	Energy Loss
<cal lb<="" td=""><td>3395</td><td>2820</td><td>17%</td></cal>	3395	2820	17%
<cal lb<="" td=""><td>3395</td><td>931 (2820x0.33)³</td><td>73%</td></cal>	3395	931 (2820x0.33) ³	73%

•Only one third (1/3) of the original corn is recovered as DDGS.

•The metabolizable energy value of DDGS is multiplied by 0.33 to reflect the amount of energy from a unit of corn that is retained in the resulting quantity of DDGS

DDGS in Poultry Diets

- Broilers (industry averages 2 to 8%)
 - 6 9% inclusions rates during starter period
 - 12 15% inclusions rates during the grower and finisher periods
- Laying Hens (chickens)
 - 10% inclusions rates during peak production
 - 15% inclusions rates after approx. 36 wks of age after peak production
- Turkeys
 - 5% inclusions rates during starter period
 - 15% inclusions rates during the grower and finisher periods

Higher levels may be used if diets are formulated on a digestible amino acid basis and are adjusted for energy

Potential use of DDGS in Poultry Diets

Top Three Broiler/Layer/Turkey Companies

 If using 5% (10%) DDGS in all Poultry diets
 1.5 (3) millions tons of DDGS per year

 If all Poultry (Broilers, layers, and turkey's) were fed DDGS

 5% = approx. 3.1 million tons of DDGS per year
 10% = approx. 6.2 million tons of DDGS per year

* Conservative estimates

New DDGS Products – Fractionation

High Protein DDGS, Corn Germ and Bran (as-fed basis)

	DDGS (conventional)	DDGS High protein	Corn Germ Dehydrated
TME kcal/kg	2860	2695	2965
(Poultry)			
Crude Protein, %	27.0	43.0	15.6
Lysine, % (% CP)	0.79 (3.0)	1.03 (2.4)	0.82 (5.3)
Crude Fat, %	9.7	3.0	17.8
Crude Fiber, %	6.1	6.91	5.1
Phosphorus, %	0.79	0.37	1.40

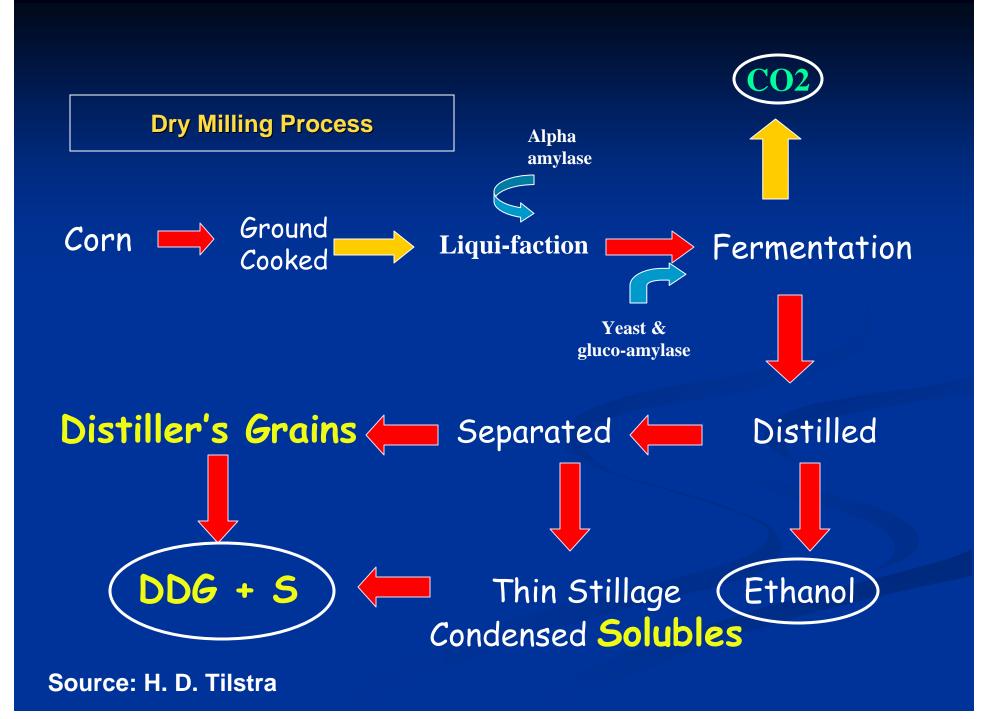
- Problems with new HP DDGS Product:
 - Lower Fat
 - Lower Phosphorus
 - No Change (or decrease) in Lysine as % Crude Protein (poor AA balance)

The usage of DDGS will depend on whether it will cost into the ration when the formulas are optimized Competition from other ingredients Price of these ingredients Energy value is the driver of the value of DDGS Consistency Nutrient value Current Analytical Information Amino acid digestibility - Lysine digestibility will influence the value of DDGS Logistics

Bio-Diesel? Effects on Energy Cost for Poultry Production? "The Higher Grain Prices will be Passed along to the Consumer Who Will Pay Higher Prices for Protein and other Grain Dependent Products"







Potential uses of DDGS in Broiler Diets*

Total Top Three Broiler Companies

(Tyson, Pilgrims Pride, Gold Kist)
If using 5% (10%) DDGS in all broiler diets
1.2 (2.4) millions tons of DDGS per year
If all Broilers were fed DDGS
5% = approx. 2.3 millions tons of DDGS per year
10% = approx. 4.6 millions tons of DDGS per year

* Reasonable/conservative estimates

Potential uses of DDGS in Layer Diets*

 Total Top Three Layer Companies (Cal-Maine Food Inc, Rose Acres, Moark LLC)
 If using 5% (10%) DDGS in all layer diets
 83,300 (166,600) tons of DDGS per year
 If all Layers were fed DDGS
 5% = approx. 379,000 tons of DDGS per year
 10% = approx. 758,000 tons of DDGS per year

* Conservative estimates

Potential uses of DDGS in Turkey Diets

 Total Top Three Turkey Companies (Jeannie-O Turkey, Cargill, ConAgra Foods)
 If using 5% (10%) DDGS in all Turkey diets
 191,000 (382,000) tons of DDGS per year
 If all Turkeys were fed DDGS
 5% = approx. 445,000 tons of DDGS per year
 10% = approx. 890,000 tons of DDGS per year

* Conservative estimates

Amino Acid Profile

Feed to meet Amino Acid needs not a min. crude protein

	Corn	DDGS (New generation)	Soybean meal	Broiler (3-6 wks) Req. % CP
Crude protein, %	7.5	27	47.8	22
Lysine, % (% CP)	0.24 (3.2)	0.80 (3.0)	3.02 (6.3)	5.10
Methionine, % (% CP)	0.18 (2.4)	0.51 (1.9)	0.70 (1.5)	1.86
Cysteine, % (% CP)	0.18 (2.4)	0.50 (1.9)	0.72 (1.5)	1.86
Threonine, % (% CP)	0.29 (3.9)	0.92 (3.4)	2.0 (4.2)	3.41
Arginine, % (% CP)	0.40 (5.3)	1.10 (4.1)	3.6 (7.5)	5.36
Tryptophan, % (% CP)	0.07 (0.9)	0.20 (0.7)	0.70 (1.5)	0.82

Dry-Milling Average Yield Per Bushel of Corn



Ethanol 2.7 gallons
DDGS 18 lbs
CO₂ 18 lbs

Economical Value of DDGS

- DDGS will contribute energy, protein, and phosphorus
 - Lysine digestibility will influence the value of DDGS
 - Amino acid digestibility (Lysine) is higher than previous reported (NRC, 1994)
 - 70% average lys digestibility
 - High levels of phosphorus (0.68 to 0.78) that is at least 50% bioavailable (higher than corn), may be as high as 90% bioavailable
 - Good energy source (higher than previously reported)
 - TME_n 2,800 kcal/kg (1,270 kcal/lb)

What is DDGS?

- Distiller's dried grains with solubles (DDGS)
 - By-product of the dry-milling ethanol industry
- Nutrient composition is different between dry-mill, wet-mill, and beverage alcohol by-products
 - DDGS Fuel ethanol
 - DDGS whiskey distilleries
 - Corn gluten feed wet mill
 - Corn gluten meal wet mill
 - Brewer's dried grains beer manufacturing

Nutrient content depends on the grain source used

- Corn DDGS Midwest US
- Wheat DDGS Canada
- Sorghum (milo) DDGS Great Plains US
- Barley DDGS