

## **ZFS Feed Ingredient Update – October 2021**

Harvest time and the baseball world series come into play this time of year; and many think this is a good time to lock in their feed ingredient needs. Often times this holds true. We are seeing good pressure on the corn and soy futures markets, creating some opportunities to get started to contract some tonnage.

The basis levels are good this time of year, and usually creep up from here, so at least get your tons on basis if you think the CME Futures are not quite at the bottom, or do half priced and half on basis is a good risk management idea. The weather has been above average on temps, however, changes will come, which start to play with the markets.

Soybean meal is in good supply as the oil market demand is strong this year as other oils in the world are not. Futures are lower, finally approaching the \$325 avg futures for clock buying; its come down a lot since the highs of \$404 back in May. Basis levels are good as harvest gets in full swing. Have your target price and tons ready on basis, to lock in the futures price as it hits.

Soybean hulls also are now in good supply and contracts are offered. With fiber tight in the northern plains and west, there is pressure to stay at current levels in the \$160 avg for clock.

Fuzzy Cottonseed seems to want to stay higher than soybean meal this year, with the good crop they had, the rains over the past 6 weeks and still today are raising some havoc on the harvest in SE states, to get started yet, and yield potential. This scenario is creating more opportunity for some nutritionists to put the soy hulls into their ration, vs the cottonseed fully.

Canola crops took a bad drought this year in the western Canadian provinces, with harvest 90% complete, much ahead of normal. This yield shortage is creating very tight crush supplies and keeping the basis very narrow to soybean meal. basis levels to the farm. If you want to keep it in the ration, contact your merchandiser soon to get your needs met.

This drought also played hard ball with their wheat crop and ours in the northern plains, pushing wheat prices high and pulling corn futures up with it as normally do. Thus why corn may not look as cheap on the futures as one would have hoped with good yields and harvest in most of our country.

DDGS plants are holding steady with ethanol demand back up to normal averages as driving resumes as colleges, schools and business get back on site. DDGS are a large export item, and can change this market quickly. It is still a good value in the \$180-190 ranges, with low toxins this year. So a good replacement for some protein.

Gluten feed seems to be holding steady on prices without the down trend we see over average years, as the starch supplies seem to be long in warehouses, while the school, hospitality, sports facilities food venues and restaurant industries were slower than normal over past 18 months. This along with lower exports has kept grind steady. The large plant in Summit, Illinois are on maintenance time now thru next week, creating some pellet shortages, but Wet Feed supplies are plenty good if you want to bag some or blend with your silage piling. Spot and contracts for buying clock are open for pellets and wet.

Wheat midds are a good fiber and starch source if you are looking for a fluffy filler with good value, contact your merchandiser to get weekly shipments.

Bakery feed, there is a new supplier in the Chicago area, with a new state of the art facility and wrapper remover, creating a consistent and flowable feed. Monthly and quarterly offers are very good vs corn. Let us know if you want an analysis or to try some added energy, starch, sugars to your ration.

Have a safe and bountiful harvest time!

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