



# 7

## ways to save money in feed production

Discover seven cost-saving strategies and smoother workflows, all designed to optimize the typical operations in a feed or pet food producing company.

## 7 ways to save money in feed production...

When you're running a feed or pet food production plant, your main goal is to ensure efficient operations while also maximizing profit. So it's crucial to identify opportunities to save money and streamline processes in today's competitive business landscape.

Right now, raw material sourcing and price volatility are heavily impacting on companies' growth and performance, and it's difficult to predict whether the soft commodities market will stabilize anytime soon. High ingredient prices are still a huge challenge in agriculture around the world, in addition to low returns for producers and the increasing prevalence of animal diseases.

In Europe, labor costs, policies and standards, and geopolitical events are also serious concerns. According to the latest analytics reports from Reuters and the U.S. Department of Agriculture, wheat, corn, and soybean prices are forecast to fall slightly (by \$1.20–\$1.45 per bushel). However, demand is expected to increase accordingly, regardless of the season. The lower price suggests potential price volatility in the market, driven by changes in production, withdrawal rates, and export competitiveness, so it's important to use the right tools to predict demand and buy at the best price from local suppliers.

And there are other threats on the horizon that could impact production and slow down growth. Alltech's Agri-Food Outlook 2024, which includes data from 142 countries and more than 27,000 feed mills, states that in 2023 consumption patterns changed. That trend will continue this year. Among the best-known factors that have a significant impact on these changes are inflation, dietary trends, higher production costs, and geopolitical tensions. So, now more than ever, we can't rely on intuition or guesswork. To be successful and make data-driven decisions, we must draw on more than just experience.

In this e-book we share seven real-life scenarios where simple tweaks can make a world of difference. Get ready for seven cost-saving strategies and smoother workflows, all designed to optimize the typical operations of a feed or pet food manufacturer. Finding ways to work smarter, not just harder, will ensure the continued growth and success of your business.

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## Case 1:

# Forward contracting and risk management

## Smart soft commodities purchases

In the context of forward contracting and risk management in the procurement of soft commodities, companies within the nutrition supply chain face significant challenges stemming from price volatility. These commodities, such as wheat, corn, and soy, make up a substantial portion of animal feed and human nutrition costs and are frequently traded on international stock exchanges.

To secure access to these critical ingredients, traders and manufacturers often enter long-term forward contracts. These contracts can take the form of fixed-price contracts or basis contracts linked to stock exchange prices, such as those on CME or Euronext. However, staying informed about market prices, which fluctuate across different exchanges, time periods, and units, is a complex task if you don't have the right software.

While manual methods such as creating Excel spreadsheets for contract management, raw material requirements, and market prices are certainly possible, they are labor-intensive and prone to human error. And it's difficult to make data-driven business decisions without accurate information on contract positions, average price predictions, and benchmarking against market prices.

## Optimal forward contracting

As a business decision maker, you need to be able to control the raw material prices of your own contracts by keeping tabs on the international market price. An ERP system that manages contracts should provide mark-to-market reports and automatic valuation of basis contracts based on current market prices.



So now you know what you need. But where can you get it?

As a software partner specializing in the nutrition industry, BESTMIX facilitates the forward contracting process for you. By integrating contract management with purchase, sales, production, and recipe data, our software allows users to generate proposals based on sales demand and optimized recipes, while at the same time comparing contract portfolios with market prices. This eliminates the need for additional paperwork or spreadsheets, empowering you to make informed decisions on when to buy or sell, thereby reducing price and availability risks.

BESTMIX ERP streamlines commodity trading practices so that you can efficiently navigate this fast-changing environment. By providing robust software support, it enhances materials sourcing efficiency — a significant component of overall costs — ultimately leading to better purchase and sales decisions and increased profitability.



## Case 2:

# Optimized Transportation

Transportation costs make up a significant portion of a company's overall expenses. It's crucial to have control over every step of the transportation process, from contracting to settling the bills. Efficient management of these costs can save you a lot of money. And when it comes to transportation, using industry-specific software can make a big difference.

Whether it's delivering goods to customers or bringing in raw materials, you want to find the most cost-effective solutions. Typically, experienced transport planners handle this task. They consider various factors such as:

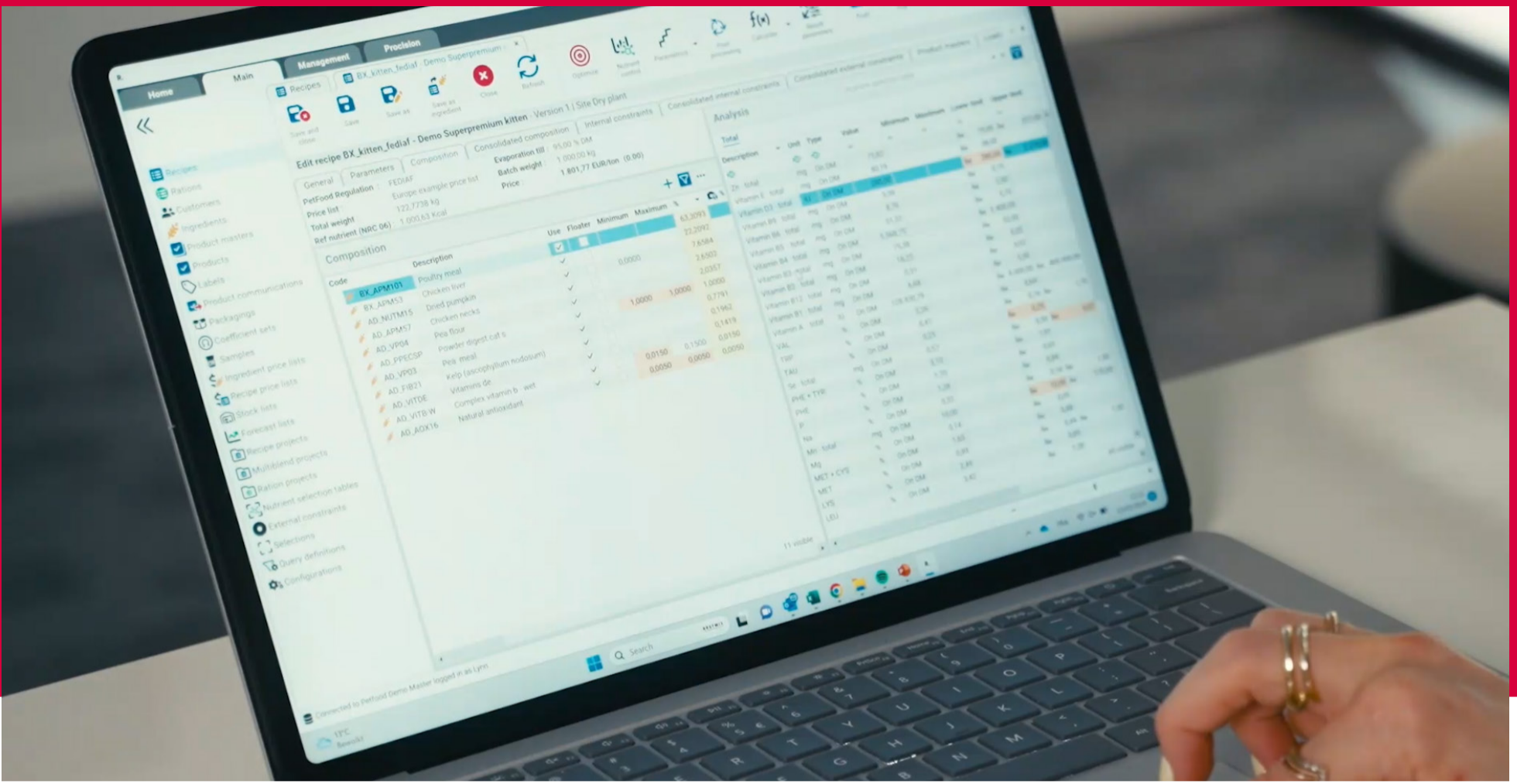
- where your customers are located
- specific transportation needs (such as loading method, tipping or blowing), gate sizes...)
- product related details (such as bulk/bag; medicated/non medicated; contamination related information...)
- delivery schedules, such as requested shipping/receiving date/time
- road regulations (allowed weight...)
- driver constraints (driving time...)
- and whether you're using your own vehicles or external carriers.

All these factors influence how you load trucks. If you don't plan efficiently, it can lead to extra costs, delays, and unhappy customers.



Fortunately, there are software tools available, known as transport management systems (TMS), that can automate this planning process. BESTMIX Solutions integrates seamlessly with these TMS packages, allowing you to export orders from BESTMIX to the TMS. The TMS then figures out which items go on which trucks and where they need to be transported to, and sends this information back to your system.

By using an out-of-the-box integration with popular TMS software, you can combine loads in the most cost-effective way possible.



### Case 3:

# Integrated Least-Cost Feed Formulation

Using specialized software can lead to significant savings through more precise and frequent least-cost formulation. By integrating ERP and recipe management systems, you can optimize your recipes with the most current data, combining inventory, purchases, sales, and market information.

In today's competitive and fast-paced market, it's crucial to have up-to-date information and to make informed decisions based on that information. In the animal feed industry, it's essential to optimize recipes, taking into account price, availability, and nutritional content. Since these factors are constantly changing, your recipe optimization relies on having the most current data. You should look for solutions that offer industry-leading integration between ERP, recipe optimization, and quality data. These allow your company to easily access and optimize recipes based on sales forecasts (or orders), inventory levels, contracts, ingredient quality, and market prices. With BESTMIX software, information flows smoothly between different departments, including ERP, Recipe Management, and Quality Assurance. It also integrates with other software like plant control systems and customer portals.

With a system like BESTMIX, optimized recipes are automatically made available for production without the need for human intervention. This streamlines production, reduces costs (through optimal recipes and production planning), increases margins, and helps you to gain that crucial competitive edge.



## Case 4: **Intelligent Customer Portal**

Efficient management of the sales process is crucial for long-term success, especially in industries like nutrition.

This starts with giving your customers accurate nutritional advice. Specialized and industry-specific software like BESTMIX offers a centralized ration-balancing tool, which allows your field advisers to give farmers the right nutritional advice, while also being closely connected to your internal formulation. The BESTMIX sample basket also makes it possible to automatically collect farm samples, leading to more accurate, customized ration advice based on the farmer's own ingredient data.

You also need a web portal that makes ordering easier for both customers and company reps. This saves significant administrative costs for your back-office team.

You might wonder what makes the BESTMIX portal stand out and save you money compared to other options. The answer lies in its industry-specific knowledge:

- The portal includes industry best practices like customer bin (silo) management, crucial for feed businesses to avoid delivery issues.
- BESTMIX provides built-in support for feed additives and medications, high-risk elements that require robust software management.
- Its portal helps empower the sales team and assists customers with predicting feed sales orders.



Using BESTMIX Solutions, customers can create sales orders, add permitted feed additives, and specify where the feed should be unloaded. Once submitted, the orders are generated in the ERP system, and customers receive order confirmation emails. They can then track the status of their orders in real time without needing to contact you.

These streamlined processes boost customer service, eliminate inefficiencies, increase productivity, and cut operational costs.



## Case 5:

# Industry-leading Practices

By implementing specialized solutions, you'll adopt industry-leading practices for your order entry process, minimizing risks and inefficiencies when producing and shipping products to customers. You'll benefit from a system that automates essential industry checks, allowing your team to focus on business tasks and make fewer errors.

Here are some of the key controls the software provides:

- Customer silo control: a software tool like BESTMIX ensures that the ordered feed matches the type linked with the customer's bin. If a user selects the wrong bin (e.g. a bin designated for poultry feed instead of swine feed), the system flags an error, preventing delivery to the wrong bin.
- Prescription control: for medicated feed, the software system verifies that the customer has provided a prescription from a veterinarian. It checks if the prescription matches the ordered feed, ensuring that the quantity and delivery date align with the prescription.
- Feed label control: BESTMIX checks if there's a proper declaration label for the ordered feed. If not, it blocks the order and notifies the nutrition department to ensure the label is attached to the active recipe of the feed.

- Order progress status control: to prevent late amendments to orders already in production or loading, the system alerts users as to which stage the order is at. Order statuses can be automatically imported from integrated systems, reducing the need for manual checks.
- Credit control: if a customer has outstanding payments or overdue invoices, BESTMIX can block the order process and notify Credit Control, reducing the risk of delivering products to non-paying customers.
- Contamination control: The system ensures contamination risks are minimized during transportation, production, and storage in customer bins, addressing a major hazard in the animal feed industry, particularly for feeds produced in facilities handling multiple feed types.
- Allowed item control: BESTMIX ensures customers only order items they are allowed to order.



## Case 6:

# Generate value from your quality control data

As a manufacturer, you are responsible for the quality of the products you bring to the market. Continuous quality control ensures that you always comply with your own quality standards and with regulatory requirements. It gives your customers and suppliers confidence, prevents recalls, ensures consistently high-quality products, and guarantees accurate formulation.

Given the huge amount of quality data available, without the right tools, it can be hard to take the right decisions quickly. So an investment in a quality data management tool can really pay off. Think of things like streamlined processes, improved product quality, enhanced compliance, reduced costs, better traceability, data-driven decision-making, optimal supplier management, and improved customer satisfaction.

BESTMIX® Quality Control is a good example of a tool that helps you to get the most out of your quality control data. Here are some examples of useful features:

- BESTMIX® Quality Control is an open platform that streamlines quality management operations throughout your production cycle. The software groups all quality data into a single central database. All relevant data from your quality measurements are automatically integrated and checked against both legal requirements and your company's expectations.
- BESTMIX® Quality Control automatically collects data from lab instruments such as weighing and NIR devices. It also allows you to send sample requests to external labs and to automatically collect the results. As such, you can significantly reduce the time spent collecting quality data and prevent human error. It also allows you to detect nonconformities more quickly and take the appropriate action.
- Having the data available quickly in a single central system also allows you to easily update your formulation system with up-to-date raw material analyses. This ensures that you always formulate your products to the minimal requirements and avoid non-compliance, but it also means that you don't have to add a safety margin to your product specifications, which allows you to remain competitive. you to stay competitive.

## Making the most of QC management software — a case study

BESTMIX Software recently received feedback from one of its animal feed miller clients, who shared a compelling story that illustrates the value of implementing quality control management software.

The client had entered into a substantial purchase agreement for soybeans, procuring a full panamax shipload from São Paulo. The contract specified a minimum protein content of 46%, which was duly recorded in their enterprise resource planning (ERP) system. Then this information was transmitted to their formulation software.



Upon the delivery of the shipment, standard sampling procedures were initiated. Using an integrated solution, BESTMIX ERP seamlessly generated samples in the quality control module. Analysis revealed that the actual protein content exceeded expectations, at an impressive 48%.

Thanks to the software, the client could capitalize on this windfall. Through the robust integration between BESTMIX ERP, BESTMIX QC, and BESTMIX Raw Material Management, the elevated protein content was promptly updated in the raw materials matrix. Then the BESTMIX software dynamically reformulated the feed recipes, reducing the reliance on soy without compromising nutritional integrity.

As a result of this agile response, the client was able to benefit from the financial advantage gained from the higher protein content — a great example of the tangible benefits of a comprehensive software ecosystem.

Overall, implementing quality control management software can help feed or pet food producing companies optimize their processes, improve product quality, ensure compliance with regulations, and ultimately enhance their competitive advantage in the market

**17% ALL NATURAL\* LAYER CRUMBLES**  
**\*WITH ADDED VITAMINS AND MINERALS**

THE HEALTHY CHOICE  
A Complete Feed Formulated for Layer Chickens

GUARANTEED ANALYSIS

Crude Protein (Min.)	17%
Lysine (Min.)	0.88%
Methionine (Min.)	0.38%
Crude Fat (Min.)	3.00%
Crude Fiber (Max.)	4.00%
Calcium (Ca) (Min.)	3.80%
Calcium (Ca) (Max.)	4.30%
Phosphorus (P) (Min.)	0.52%
Salt (NaCl) (Min.)	0.20%
Salt (NaCl) (Max.)	0.70%
Manganese (Min.)	125 ppm
Zinc (Zn) (Min.)	150 ppm
Vitamin A (Min.)	5,000 IU/lb
Vitamin D (Min.)	2,000 IU/lb
Vitamin E (Min.)	15 IU/lb

Ingredients: Corn, Soybean Meal, Dried Corn Distillers Grains with Solubles, Wheat Middings, Alfalfa Meal Dehydrated, Calcium Carbonate, Dicalcium Phosphate, Salt, DL-Methionine, Methionine Hydrochloride, L-Lysine, Choline Chloride, Vitamin E Supplement, Vitamin B<sub>12</sub> Supplement, Vitamin B<sub>6</sub> Supplement, Nicotinamide, Riboflavin, Calcium Pantothenate, Menadione Sodium Bisulfite Complex Supplement, Vitamin A Supplement, Vitamin D<sub>3</sub> Supplement, Pyridoxine Hydrochloride, Zinc Oxide, Zinc Sulfate, Copper Sulfate, Manganese Sulfate, Cobalt Chloride, Copper Sulfate, Zinc Sulfate

## Case 7:

# Regulatory Compliance

The nutrition industry is highly regulated, and for good reason. Unfortunately, without the right tools, it can be very labor intensive to ensure compliance with the ever-expanding regulations.

Specialized software like BESTMIX provides the tools to automate regulatory compliance and significantly reduce the associated labor costs:

- Before sending modified recipes to the mill, BESTMIX allows you to automatically check them against predefined compliancy rules and will block the creation of new recipes in the case of non-compliance.
- Every modification of a recipe can have a potential impact on the label. Through templates that conform to label legislation, a compliant label will be automatically generated with every alteration to the recipe.
- In case of medicated feeds, special legislation applies, which BESTMIX also takes into account.

- It is quite common to create on-demand mixes of standard products combined with an additive or another product. Making sure that these custom mixes also get a compliant label can be labor intensive. BESTMIX's bulk blending tool allows you to simply auto-generate these labels.
- Some products are GHS/CLP compliant. BESTMIX allows you to always print the correct symbols and warnings on the label and to automatically generate the required MSDS sheets. The interactive integration even allows you to adapt your recipe to avoid certain warnings or symbols, prior to generating the label.

## Conclusion

In today's competitive and fast-paced market, staying ahead of the competition while continuing to deliver high-quality products is a constant challenge. Optimal efficiency has become a priority for every producer. In the feed and pet food industry, even small changes to your business can save you money and increase your profit. By making these changes and reducing your operational costs, you'll benefit from increased productivity and efficiency. BESTMIX® Software provides you with all the tools you need to make efficiency gains across every stage of the production process, from purchasing, through formulation and production, to labeling and transport.

We'd love to take you through the entire process to show you how you can best use our software to reduce costs for your company, eliminate manual tasks, and maximize customer satisfaction. In a nutshell, BESTMIX can boost your company's efficiency and profitability, saving you money across multiple flows and processes and allowing you to focus on your core tasks.

**Focus on your core tasks and let BESTMIX do the rest.**



**GET IN TOUCH & LEARN MORE**

