

Devenish Diary

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The Official Newsletter of Devenish Nutrition

WELCOME TO THE DEVENISH DIARY



We hope you continue to find it useful. Thanks you for your comments and suggestions arising out of previous issues and please continue with these.

On this occasion I wish to acknowledge the retirement from the Company of two colleagues, Mike Bowtell and Michael Casserly. I have worked with Mike and Michael for over two decades and in recent years both have been an integral part of the development of Devenish.

Mike Bowtell was responsible for Operations and Quality when we joined Devenish in 1997 and those familiar with Mike's record will be unsurprised to note that he established in Devenish the systems and procedures that we have become well known for. Mike was and is modest and unassuming; however his reputation for attention to detail is well deserved and has been of tremendous benefit to Devenish.

Michael Casserly spearheaded the company's sales and marketing efforts over the years and displayed energy and enthusiasm in all his efforts which were second to none as evidenced by the growth of the business. No-one will ever know the full extent of Michael's efforts and success in the marketplace which were herculean often in difficult circumstances. Michael generally saw difficulties simply as obstacles that would be overcome and always were.

Mike and Michael both contributed to the Company by developing people to succeed them in their roles thus making the transition a seamless one.

On behalf of everyone at Devenish I wish to thank you both for your contribution and to wish you every future success.

Owen Brennan

The recipient of the Devenish Prize for best student in the Animal Science Degree in the School of Agriculture and Food Science, Queens University, Belfast was Aileen McAleenan. Aileen specialised in companion animal nutrition in the final year and researched the effect of plasma Leptin concentrates on carcass and meat-quality characteristics in growing lambs.

From a farming background, Aileen has retained a keen interest in agriculture having worked 6 years in the industry; she is currently involved in voluntary work in South Africa aiding in the conservation of endangered species.



Aileen McAleenan receives the Devenish Prize from Dr Violet Beattie at Queens Graduation Ceremony

A previous recipient of the Devenish Prize for Animal Science is Dr Marian Scott.



Marian has since joined Devenish Nutrition and is involved in the research and development programme. Marian has strong agricultural roots coming from a farm in North Antrim.

She studied Animal Science in the School of Agriculture and Food Science at Queens and then proceeded to do a PhD in the nutritional value of wheat in layers.

Marian has spent 12 months in Devenish learning the systems and becoming familiar with the workings of different departments. Since June 07 she has been fully involved in the research team and will be instrumental to the development of new research areas and products.

CURRENT MEDIUM TERM COMMODITIES OUTLOOK -APRIL 2008

AIDAN O'TOOLE - SENIOR PIG NUTRITIONIST

Pig producers are currently, and have since June 2007, been operating in an unprecedented era of high feed prices and poor pig prices. Pig price appears to be moving to a level of at least €1.65 - €1.70 for the period May – December according to European future markets, with reports of higher prices being budgeted for by factories. Speculation suggests stronger prices again for first quarter 2009, as North American herd contraction comes into play. Hopefully this scenario will transpire, allowing producers to recoup some of the losses incurred from June 2007 to date. On the input side, given the high feed prices at present, what can we expect from feed over the next 6 -12 months?

The bulk of the cost of pig feed in Ireland has traditionally been attributable to three products, namely wheat, barley and soyabean meal. To analyse what will happen with these commodities going forward is difficult as we are in a time of unprecedented price volatility on all global markets. The best we can do at present is to look at the available global future markets and attempt to second guess these markets based on anticipated global harvests in 2008. However, even this is currently very difficult to do due to the high involvement of outside factors such as hedge funds and speculators. That said however, the following is where markets are currently:

CEREALS

All cereal prices will follow wheat, with maize price having some impact on wheat price. In the context of global trade in commodities, the three most relevant wheat future markets are LIFFE in London, MATIF Paris, and CBOT in Chicago. Strong price rises in the US through February, fuelled by speculators, hardened international markets considerably (Table 1). European figures are now easing by about €50/tonne post harvest, but are still at a high price of €210 + per tonne ex France or €190 per tonne ex UK (Table 2).

On the positive side global wheat plantings are strong; the USDA has predicted a global harvest of 650 million tonnes in 2008, up from 590 million tonnes in 2007, with a global usage of about 620 million tonnes.

This would suggest that there should be some softening of wheat prices post harvest, however, weather between now and harvest will play a key role in dictating prices. A European summer similar to that of 2007 could well see prices moving higher again. Price for barley will broadly follow the price for wheat.

European maize prices are currently steady at about €195 - €200 per metric tonne ex France through to the end of the calendar year. US maize prices have hardened from \$4.14/bushel in December 2007 for maize collected in May to \$5.95 for the same maize on 2nd April. Similarly, maize for collection in December 2008 was trading at \$4.31/bushel in December 2007 but had hardened to \$6.00 on 2nd April.

SOYABEAN MEAL

The most relevant market in the global trade of soyabean meal is the CBOT. The soyabean market is displaying huge volatility. Soyabean meal has moved from a low price of \$180 per imperial tonne last April/May to a high of almost \$400 per imperial tonne in early March 2008 (Table 3). The increase in price is due to a combination of low plantings for 2007 and a consequential reduction in 2008 harvest output, as acres migrated to maize, to fuel ethanol production and also speculation by traders. Currently the position on soya is readjusting with large increases in plantings (of the order of 10 million acres) anticipated in the US. This represents a 12% increase in US acreage and could / should force significantly lower prices than the current spot market, if planted.

In summary, whilst we would all hope there will be an easing on feed price after harvest, a lot will depend on weather, global crop performance and speculator sentiment, to reduce cereal price in the first instance and secondly to mitigate against moving onto high price protein.

Table 1; CBOT Wheat Prices, (US\$ per 60 lb Bushel)

Date of Quote					
Month	2.1.08	1.2.08	3.3.08	19.3.08	1.4.08
Mar 08	9.15	9.43	10.93	-	-
May 08	9.22	9.61	11.02	10.74	8.95
July 08	7.90	8.74	10.19	10.48	9.13
Sept 08	7.97	8.81	10.30	10.55	9.19
Dec 08	8.08	8.92	10.34	10.64	9.42
Mar 09	-	-	-	10.72	9.50

Table 2; LIFFE Wheat Prices (STG £ per Metric Tonne)

Date of Quote					
Month	2.1.08	1.2.08	3.3.08	19.3.08	1.4.08
Mar 08	177.50	175.50	188.50	188.00	-
May 08	181.00	180.00	192.00	190.00	174.4
July 08	-	184.50	194.5	193.00	178.4
Nov 08	-	-	-	152.50	147.5
Jan 09	-	-	-	155.00	151.0

Table 3; CBOT Soyabean Meal Prices (US\$ per Imperial Tonne)

Date of Quote					
Month	2.1.08	1.2.08	3.3.08	19.3.08	1.4.08
Jan 08	338.00	-	-	-	-
Mar 08	344.10	343.20	377.00	-	-
May 08	348.00	349.20	383.20	310.70	330.50
Jul 08	349.5	353.5	385.2	315.7	333.50
Aug 08	339.5	349.7	378.3	315.2	329.00
Sep 08	328.0	344.0	365.0	305.0	319.00
Oct 08	-	330.7	343.0	286.5	294.50
Dec 08	-	-	-	285.5	291.70

EXCITING DEVELOPMENTS IN THE POULTRY RESEARCH PROJECT....

DR HEATHER HAYES

The N. Ireland poultry and feed industries were recently briefed on progress being made in a major research project aimed at combating intestinal disease in poultry. The collaborative research by Devenish Nutrition, Queen's University & AFBI is investigating methods of improving gut health and performance of commercial broilers without the use of in-feed antibiotics. The three year project is jointly funded by INVEST Northern Ireland & Devenish Nutrition Ltd and assisted by local broiler companies. Industry representatives from Moy Park, O' Kane Poultry, John Thompson & Sons and GE McLarnon & Sons were updated on important findings from laboratory trials carried out by AFBI & Queen's University along with results from field trials carried out by Devenish Nutrition.



FROM LEFT TO RIGHT: DR SEAMUS KENNEDY, USD: AFBI., DR ABDUL L-JIBOURI, INVEST NI., DR HEATHER HAYES, DEVENISH NUTRITION., DR GEORGE MCLROY, AFBI

Dr Seamus Kennedy, Head of AFBI's Veterinary Science Division, welcomed the participants and gave an overview of the problems posed to the poultry industry by the progressive withdrawal of antibiotics and other drugs from poultry feed. He highlighted the importance of gut health and the urgent need for alternative methods of disease control. He said, 'A particular focus of this research is improved control methods for necrotic enteritis which is emerging as a major health problem for the European poultry industry as further legal restrictions are placed on the use of growth promoting antibiotics and other drugs in poultry feed.'

Dr Heather Hayes of Devenish Nutrition described the extensive field trials that are being carried out by Devenish in conjunction with Moy Park & O' Kanes to investigate the effects of dietary and non-dietary interventions on the gut health and performance of commercial broiler flocks. Dr Hayes acknowledged the high level of support and co-operation received from the participating poultry processors, feed companies and farmers. She emphasised that this project is adopting a holistic approach involving dietary and management interventions to improve the gut health, welfare and performance of broiler flocks.

Members of the AFBI and Queen's University research team described their development and refinement of a model of necrotic enteritis that is being used to assess potential methods of control for this disease. This uniquely reproducible model will also be made available to commercial companies to test in-feed additives at a later stage of the project. Developments in improving our understanding of the cause of necrotic enteritis, and producing tests that could be used to predict outbreaks, were also presented.



Representing Invest NI, who partly funded this project, Dr Abdul Al-Jibouri described Invest NI's programmes for supporting investment in research and development by Northern Ireland industries. He described the present project as an excellent example of the benefits of collaboration between partners in industry, universities and public bodies. Dr Al-Jibouri went on to say: 'There is a need for local industry to increase its investment in R&D in order to improve competitiveness. Invest NI can provide both financial and non-monetary support to companies interested in investing in R&D'. In summing up, Dr Eilir Jones of Devenish Nutrition, said that progress on this project had been excellent and hoped that similar partnerships between industry, universities and government bodies could be developed to further enhance the productivity and competitiveness of the agri-food economy in Northern Ireland. There was general agreement that there was a need to consolidate poultry research in Northern Ireland in order to enhance competitiveness of the industry. Dr George McIlroy, Chief Executive of AFBI, closed the meeting and said: 'I am delighted that AFBI is associated with this important partnership with Queen's University, Devenish and the local poultry and animal feed industries. It is only by working together that we can fully exploit the value of scientific research and development to maximise the competitiveness of the local agri-food industry. In this way we can build on Northern Ireland's reputation as a source of clean wholesome food.'

Lipidol

The Dietary Energy Optimiser

WHAT IS LIPIDOL?

Lipidol is a lysolecithin prepared from phospholipids present in soybean lecithin. Phospholipase enzymes are used to remove one of the fatty acid chains from the lecithin resulting in a small charged lipid which encourages interaction with cell membranes. The charge connects water soluble nutrients with oil based nutrients thus breaking the oil down for absorption.

HOW IS LIPIDOL FED?

Lipidol is a dry powder and is included in feed at:

0.75 – 2 kg /tonne finished feed.

Lipidol is included in the premix hence there are no handling or mixing issues.

LIPIDOL – SHOULD YOU USE IT?

Lipidol will improve FCR by 4%.

2.2 tonnes less weaner feed
(500 sow unit)

15 tonnes less finishing feed
(500 sow unit)

OR

0.75 kg Lipidol replaces 10 kg
Oil/tonne

0.75 kg Lipidol replaces 0.25
MJ DE/tonne

UPCOMING EVENTS.....

This year Devenish Nutrition Ltd will be taking part in the British Pig and Poultry Fair on Tuesday 14th & Wednesday 15th May 2008.

The fair, run by the Royal Agricultural Society of England, takes place at Stoneleigh Park, Warwickshire, and is now one of the most widely attended events in the Agricultural Calendar.

Devenish will be exhibiting on **Stand 97** and will have technical representatives from both our pig and poultry teams present.

If you are travelling to the show please call by our Stand for advice, information or just to say hello!



This year Devenish Nutrition staff are taking part in the Belfast Marathon Fun Run (5th May 2008) and Abseiling Event (10th May 2008) to help raise vital funds for Action Cancer NI.

Almost all of us will know someone whose life has been affected by cancer. With it now becoming the biggest killer of this new millennium and with Northern Ireland suffering from one of the highest incidences of the disease, Action Cancer is committed to leading the fight against cancer, helping to save lives and providing much needed support for the families of sufferers.

The Fun Run is a 3.5mile run from Belfast City Hall to Ormeau Park and the Abseiling Event involves being launched off the top of the World famous Europa Hotel... neither one a mean feat, I'm sure you will agree!

If you would like to support us by making a donation to this extremely worthwhile cause, please contact Emma McDonald at:

emma.mcdonald@devenishnutrition.com