



We have seen molasses prices firm from the summer driven by 4 key factors:

1. In the last 6 months, we have seen currency weaken from over \$/£1.30, to below \$/£1.24 and it is now around \$/£1.28, which puts a great deal of uncertainty in the market for all \$ based imports, including molasses. These uncertainties will continue until (if) Brexit is resolved which means it is unlikely that we will see any improvement in this situation in the short to medium term.*
2. The ethanol sector has seen increasing demand for molasses due to large subsidies being offered by Governments for building new ethanol plants. This is combined with a fixed (good) price for ethanol, and has led to the market spiking in January 2019, and maintaining high prices since then.
3. Ocean freight costs are rising and will rise even further as of 1 January 2020 when the low sulphur fuel initiative comes into effect. The new rules require ships to run on low sulphur fuel and/or have sulphur reduction equipment installed.
4. Globally we have seen strong demand for both feed production and industrial use.

However, even given the price rise, our products represent excellent value and are the most cost-effective source of sugar available to livestock farmers. We have seen a strong growth in sales over the last several years as our ongoing R&D program has highlighted the unique benefits of molasses based feeds in ruminant diets.

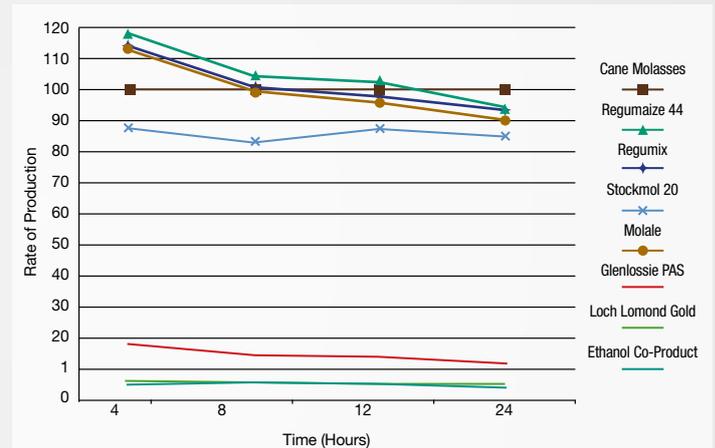
Maximising Dry Matter Intakes and improving fibre digestion are key to driving performance. This year we are seeing good silage stocks and overall good quality, so driving the intake of this and stimulating fibre digestion will be a strong feature of this winter's feeding strategy.

Liquid Options, The Facts:

There are a number of liquid co-products on the market that claim to have the same nutritional benefits as molasses blends, but it is important to note several factors:

- ED&F Man's range of liquid feeds are typically 60% or more, dry matter. Many of the liquid co-products in the market are between 20-40% DM. It is important to compare products on an as-fed basis as well as on a dry matter basis.
- ED&F Man manufactures its liquid products to defined specifications, ie, FEMAS and ISO approved production facilities, so you know exactly what you are getting. Liquid co-products by their nature vary in both nutritional content and physical handling characteristics, which can cause issues with both ration formulation and feed handling.

- The processes that produce liquid co-products are very good at extracting value, meaning the resultant co-products have relatively low nutritional content, especially when it comes to fermentable value. See graph below.
- ED&F Man products are available from 5-28mts and when you need them. Liquid co-products are typically available in full artic loads (28mts) and are subject to availability. We also have a range of mini bulk options, 1000 to 2500 litres.



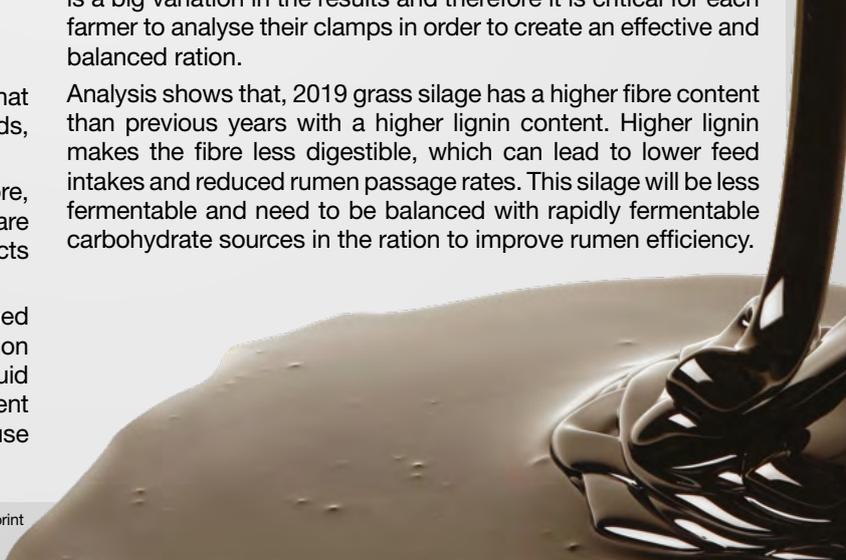
Overview of Forage Quality

Trouw Nutrition GB have reported that, with better quality silage and increased stocks this winter, it is possible for farmers to reduce purchased feed costs and improve production from forage.

On average, first cut silages are analysing well. However, there is a big variation in the results and therefore it is critical for each farmer to analyse their clamps in order to create an effective and balanced ration.

Analysis shows that, 2019 grass silage has a higher fibre content than previous years with a higher lignin content. Higher lignin makes the fibre less digestible, which can lead to lower feed intakes and reduced rumen passage rates. This silage will be less fermentable and need to be balanced with rapidly fermentable carbohydrate sources in the ration to improve rumen efficiency.

* Figures correct at time of print



Examples of rapidly fermentable carbohydrate sources are ground cereals and molasses based liquid feeds. Sugars are rapidly fermented, and most are utilised within two to three hours of feeding. However, trials show that rumen fermentation remains more active long after the sugars have gone. Additionally, the 6-Carbon sugars present in molasses based liquid feeds are more highly rumen fermentable and more effective at improving fibre digestion.



Later silage cuts are increasing in lignin, and therefore even less digestible, so this fermentable energy supplementation will need to be continued throughout winter to ensure animal performance.

Molasses: Driving Production from Forage

Home grown forages and cereals are the cheapest feed stuff available to farmers and for a profitable winter it is essential to drive dry matter intakes and support efficiency with a healthy rumen.

As highlighted in Trouw Nutrition GB's report, farmers this year have considerably higher forage stocks with good nutritional value. The key this winter is to exploit this value and drive production from forage. However, with forage appearing to be less digestible, farmers must try to enhance digestibility any way possible. ED&F Man Liquid Products are the only blends available on farm that have been proven to increase fibre digestibility through independent research.

By using a molasses based liquid feed, this will drive DMI, support milk production, increase fibre digestibility, as well as reduce sorting and waste.

	No Liquid Feed	+ Molasses Based Liquid Feed	The Effect
DMI (kg)	27.7	29.1	+1.4 kg (+5%)
Milk Yield (L)	41.2	43.1	+1.9L (+4.6%)
Milk Fat %	3.81	3.92	+0.11 (+3%)
Milk Protein %	3.36	3.35	No Effect
Milk Fat Yield (g/d)	1550	1680	+130g (+8.4%)
Milk Protein Yield (g/d)	1360	1450	+90g (+6.6%)
Sorting		25% Less	25% Reduction

More energy achieved through home grown forage and cereal means that there will be less reliance on bought in expensive alternatives, allowing for more production from forage. Increasing forage dry matter intakes by 1kg DM/day could allow for a reduction in concentrates of 0.85kg DM/day without impacting on yields.

Rapidly fermentable carbohydrates are required by the fibre digesting bacteria present in the rumen. First cut silages are lacking in these and sugars are the ideal source. Sugars feed the bacteria providing the energy required to optimise fibre digestibility. Also, by promoting faster and more active fermentation, sugars will increase rumen throughput and stimulate dry matter intakes.

Importance of Sugars

With cereal prices low, many people will be tempted to feed more wheat or barley. However, in doing so, this can increase the risk of acidosis, potentially compromising fibre digestion and dry matter intakes. Starch sources such as wheat and barley, lead to lactic acid production in the rumen, which is ten times more acidic than the other volatile fatty acids produced. While prices are low, it is sensible to feed these ingredients. However, by substituting an amount of starch with a molasses blend, this will increase the supply of rapidly fermentable carbohydrates without the increased risk of acidosis. Sugars will also stimulate the growth of lactic acid utilising bacteria in the rumen. This will have a neutralising effect on rumen pH.

The lower acidosis risk is down to sugars stimulating butyric acid production in the rumen. Butyric acid is the least acidic, therefore lowering the overall acid load in the rumen. As well as the benefits on acid production, sugars also help maintain higher average pH by increasing the rate at which the acid leaves the rumen by stimulating absorption across the rumen wall.

ED&F Man Liquid Products is pleased to announce the appointment of Angela Sutherby as Northern Commercial Manager. With 35 years' experience of the food and feed trades. Angela began her feed career at Cargill in Hull. She moved to become general manager of the BOCM Pauls straights trading business, and then to former food processor SugaRich as national sales and marketing manager. For the last three years she has worked for Thomas Mawer in Hull as a senior trader. The appointment strengthens our commercial team.

"There are very few people in the industry with Angela's breadth and depth of experience and we are sure she will play a central role in helping us to grow and develop the market to the benefit of both feed suppliers and their farmer customers."



Up coming events

20 Nov 2019	AgriScot, Edinburgh	
25+26 Nov 2019	Royal Welsh Winter Fair, Builth Wells	
5 Feb 2020	Dairy Tech, Stoneleigh	

Want to know more?

Contact your local Commercial Manager:

Richard Dobson 07764 344716

Angela Sutherby 07957 642669

Dave Stanford 07767 873748
Danielle Goatley 07710 075824

Georgina Chapman 07485 192774
Nutritionist | Technical Support Manager

Freephone 0800 3898450

www.edfmanliquidproductsuk.com

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