



It's hard to overstate the impact of the African swine fever

By Bob Riley, Chairman of the Board

The African swine fever (ASF) is a chilling example of what can happen when our Farm to Table chain is compromised. The disease outbreak that started in China in August of 2018 has now spread all across Asia and Europe. Mark Schipp, President of The World Organisation of Animal Health, recently said that ASF could wipe out a quarter of the world's pork population.

It is estimated that by the end of this year ASF will have reduced China's hog population by as much as 50%. China, with a population of 1.417 billion people, is the world's largest pork consuming country. The ASF epidemic combined with the U.S.-China trade war, has caused the price of pork in China to spike by nearly 70%. As a result, one of the most important staples of the Chinese diet is becoming more and more unaffordable for them.

Ironically, pork prices for the U.S. consumers are quite low. The tariffs imposed by President Trump have backed up pork supplies here in the US, depressing prices. The Iowa Pork Producers Association has quoted estimates that the trade dispute has cost American pig farmers \$12 per pig. And with a pig population in Iowa of 23.6 million head, that amounts to just over \$28,000,000 in cost to pork producers just in Iowa. It will take decades to recover from these tariffs.

It would be wrong for any of us to be complacent about the ASF epidemic. We would be naïve to think it's their fault. The speed and expanse of the ASF outbreak is an alarming reminder of how vulnerable we ALL are to pathogenic diseases. Remembering the Avian Influenza outbreak in 2015 in the US, the effect of a disease outbreak is devastating, and we need to be very vigilant about bio-security always.

At Feed Energy we have always been aware that one of the paths through which pathogens enter an operation can be through the feed or feed delivery system. For that reason we have numerous measures and practices in place to protect the integrity of our feed ingredients. We screen all our suppliers to make sure their bio-security systems have high integrity. We sample and analyze each of our incoming material shipments for contaminants. We then sample and analyze our finished product before being shipped to our customers. We disinfect our trucks and trailers prior to delivery. We have followed these procedures for 32 years, and have provided the industry an exemplary template for feed safety and bio-security. We encourage all the participants in the feed supply chain to know and audit their sources of ingredients. Do not let the temptation of low price cloud the need for high quality.

In 2018, we launched what is considered a breakthrough in feed biosecurity with the introduction our **R2** family of products. **R2** is Feed Energy's patent pending proprietary line of products scientifically produced to be naturally anti-pathogenic. This new line of products delivers essential nutrients to the animal through the feed source while at the same time helping to eliminate and control various pathogens in the feed.

Our latest field trials of our **R2** product for swine proved to have very impressive results. The study found that **R2** was effective in helping to control PRRSV and PED – two of the most deadly infectious diseases in hog operations. We are excited with these results and plan to share the details of the trial within the next few weeks.

At Feed Energy we are absolutely committed to our mission of helping to feed the world. The ASF epidemic has made us even more steadfast in doing our part to help meet the demand for affordable, safe, nutritious protein worldwide. The introduction and spread of pathogenic diseases will always be a threat to the agriculture industry and our food chain. The ramifications are devastating.

We will never let our guard down.



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