

## How to Source Feed Corn

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### Introduction

Today's swine ration formulations are being made up of various new and different feed stuffs to grow our pigs. Corn is still the main energy source for most producers feed rations today in the U.S. With more uses for corn today it is important for the swine producer to have their corn needs sourced well in advance.



### Controlling Costs

Feed cost is the highest input cost that any producer has. In order to control cost it is important to have feed cost in control first. To do this a producer may:



1. Raise corn on owned and or rented acres
  - Own equipment to raise corn
  - Custom hire to have corn raised
2. Purchase corn from feed mill or area grain elevators
  - Purchase as needed
  - Purchase and store at home or feed mill
  - Contract to purchase for future needs
3. Purchase from area corn growers
  - Contract to purchase at harvest
  - Contract to purchase for future delivery
  - Take physical delivery with contract to price it at a later date
  - Take delivery with a formula to establish the price (average of the Friday close Nov. 1 to March 1)
4. Contract with your current custom finishers
  - To have first option to purchase their corn
  - Set a predetermined number of bushels to be purchased
5. Contracts or Futures
  - Futures ( purchase futures now and sell futures when physical corn is actually acquired)
  - Call Options (purchase call now so that if corn rises in price your call should gain in value to help pay for physical purchase)