



Rye – more than just a cash crop

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Rye is regarded as the poor cousin of many regional cereal markets. The focus of the market participants is primarily on the two main crops – wheat and corn. Whereas the price adjustments of wheat and corn upwards and downwards on the stock markets always come with the daily repeated question, “Is there enough cereal there for everyone?”, the price of rye changes in the shadows of the international markets. 95% of the worldwide production of rye is concentrated in the RYE BELT. In total rye is used at 70% in human nutrition and 30% in animal feed within the belt across all countries and climate zones. In Germany in recent years a new window has opened up with its commercial utilisation in the production of energy. The industrial processing focus on animal feed has a crucial influence on the formation of price. Farmers and mixed-feed operations frequently hold reservations about using rye in concentrated feed for cattle and pigs. Rye therefore becomes more increasingly used if it is significantly cheaper than wheat and corn. So rye is regarded as the cheap option within the mixed-feed industry. In recent years feed trials have shown that rye is a very good substitute for wheat and corn. Depending on the composition of the feed and the price level, compared to fodder wheat the feed value difference of rye in relation to pigs is 3 to 6 €/t less and is between 2 to 4 €/t in relation to milk cattle feed. In years of excess, however, the price difference was frequently between 20 and 30 €/t. Fodder rye is then transformed into a shelf warmer, that everyone wants to buy on the cheap at least at harvest time. In the 2012 marketing year, in which cereal is scarce in the EU 27, the price of fodder rye is converging towards the feed value of fodder wheat with a discount of between 5 and 10 €/t.

The discrepancy between the processing value and the market value of rye concerns arable farms more than anything else. The situation in the livestock rearing arable farms is significantly more efficient however. Where enterprises utilise rye for internal purposes these operations do not budget at market prices, but instead look at the production costs of the cereal types as well as the feed value of the cereal types. With its low production costs and the high yields per hectare, rye makes a very good commercial sense particularly on lighter soils. Thus the model calculations for livestock rearing Polish arable enterprises exhibit a cost benefit of 20 €/t in comparison to wheat. The benefit firstly relates to a yield increase of 5 dt/ha and secondly to a cost saving of 100 €/ha, which are the result of a decrease in the fertiliser, plant protection and work performance costs. The higher yield means that less arable land is required for the production of feed on farms and the proportion of cash crops

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can therefore be increased or these enterprises are able to expand their livestock holdings where available land is getting scarcer.

In its Central European cultivation areas, rye is more than just a niche product. On the demand side, apart from its human nutritional uses, it has also found its way into the feeding trough, bio-ethanol production and in biogas plants. Its adaptability and its robustness make it commercially better than other cereal types particular on light soil. Rye is very well able to replace other cereal types in mix-feed diets. Rye can help manage the costs of feed, particular in livestock holding operations with their own feed and mixing plant.

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