



Heifer Management Blueprints

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The Cost of Raising Dairy Replacements-2015 Updates

Raising dairy replacements continues to be expensive. The cost of raising calves and heifers is often the second highest expenditure on dairy farms after milking herd feed costs. In 2013, these costs were determined using data collected by UW-Extension agriculture agents from 36 dairy farms and custom calf and heifer growers across the state. However, in the past 2 years costs have changed especially lower feed cost and higher calf value. This factsheet provides updated costs for 2015.

A few assumptions were made to standardize certain input costs which are listed below for 2013 and 2015. Notice that only the feed costs and calf value are changed in this 2015 update. All other costs were producer-specific and represent real farm costs in 2013.

Key Assumptions		
Item	2013	2015
Calf Value	\$150	\$ 400
Labor (paid and unpaid)	\$13/hour	\$13/hour
Management (paid and unpaid)	\$22/hour	\$22/hour
Interest Rate	4.5 %	4.5 %
Housing		
Homemade Calf Hutch	\$200	\$200
Purchased Calf Hutch	\$400	\$400
Greenhouse Barn	\$10/sq. foot	\$10/sq. foot
Post Frame Calf Barn	\$15.50/sq. foot	\$15.50/sq. foot
Bedded Pack Barn	\$18.50/sq. foot	\$18.50/sq. foot
Free Stall Barn	\$20/sq. foot	\$20/sq. foot
Mound System	\$0.10/sq. foot	\$0.10/sq. foot
Concrete Lot	\$3/sq. foot	\$3/sq. foot
Dirt Lot	\$0.10/sq. foot	\$0.10/sq. foot
Feed		
Legume Silage (100% DM)	\$200/ton	\$150/ton
Corn Silage (100% DM)	\$140/ton	\$100/ton
Corn (100% DM)	\$250/ton	\$170/ton
Soybean Meal (100% DM)	\$375/ton	\$350/ton
Cow Refusals (100% DM)	\$150/ton	\$100/ton

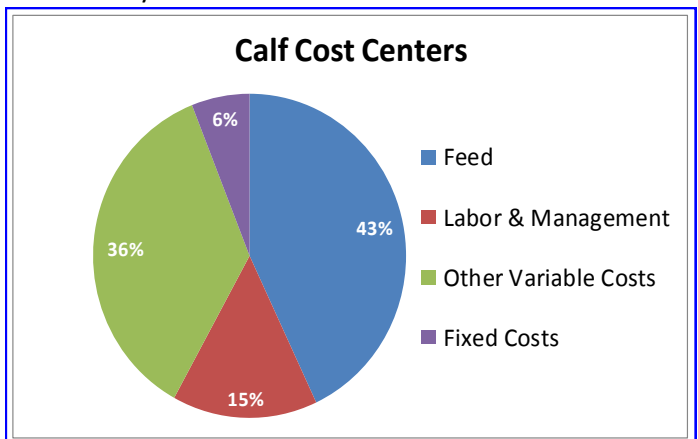
The Calf Enterprise

Calf rearing expenditures were broken into four management areas: feed cost, labor and management, variable costs (veterinary service, bedding, death loss, and interest) and fixed costs (housing and equipment). The major change since 2013 was increased calf value (\$400 vs \$150 per calf) which caused both death loss and interest costs (other variable costs) to increase. Other variable costs increased from \$41 per calf (\$0.64 per day) to \$51 per calf (\$0.70 per day). No other areas were changed for calf costs.

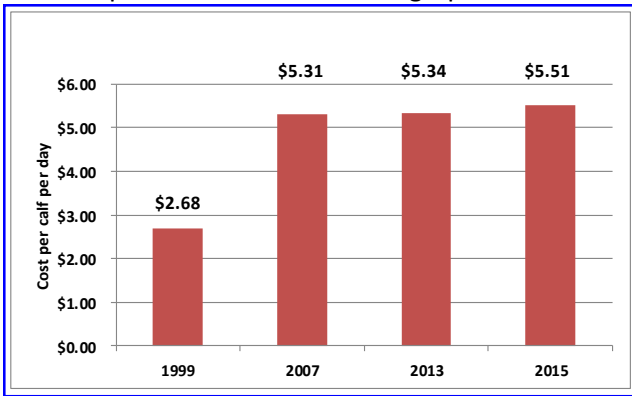
In 2013, feed cost was the most expensive cost at \$165 per calf (\$2.40 per day). Feed costs included liquid feed (milk replacer or pasteurized milk), starter, and forages. Labor and management costs were the next largest expense at \$134 per calf (\$1.95 per day). Fixed costs averaged \$23 per calf (\$0.35 per day).

The average total cost to raise a calf in 2015 was \$374 per calf or \$5.51 per calf per day not including the calf value.

The cost for raising calves ranged from \$3.81 to \$5.59 per calf per day with the average being \$5.51 per day over 68 days.

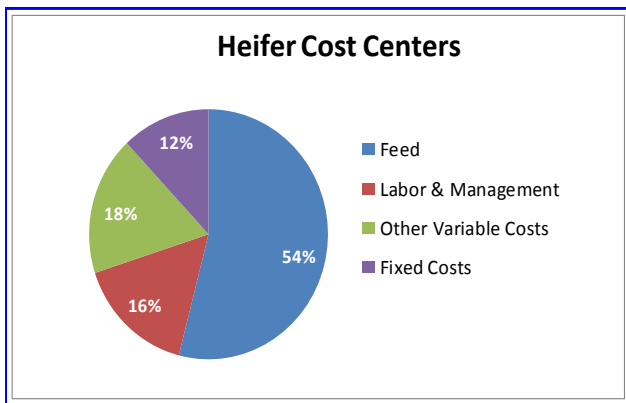


Costs associated with raising wet calves based on the UW-Extension trials conducted in 1999, 2007, 2013, and the 2015 updates are shown in the graph below.



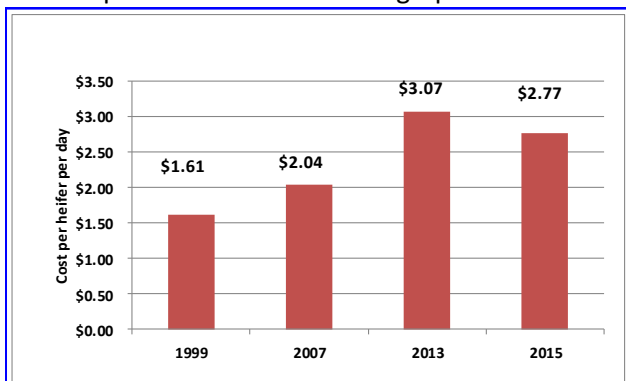
The Heifer Enterprise

Since 2013, feed costs have decreased significantly leading to feed costs decreasing from \$1,046 per heifer (\$1.71 per day) to \$910 per heifer (\$1.44 per day) in 2015. Labor and management were the next largest expense at \$342 per heifer (\$0.53 per day). Other variable costs were approximately \$278 per heifer (\$0.44 per day) and were similar to 2013 costs with slightly lower interest costs due to lower feed costs, but higher death loss costs due to higher calf value in 2015. Fixed costs averaged \$217 per heifer (\$0.32 per day). The average cost for raising a dairy heifer from weaning to freshening (or returned to the dairy by custom grower) in 2015 was \$1,736 per heifer or \$2.77 per day (range



was \$2.04 to \$4.32 per heifer per day) which is 10% lower compared to 2013 (\$1914 per heifer).

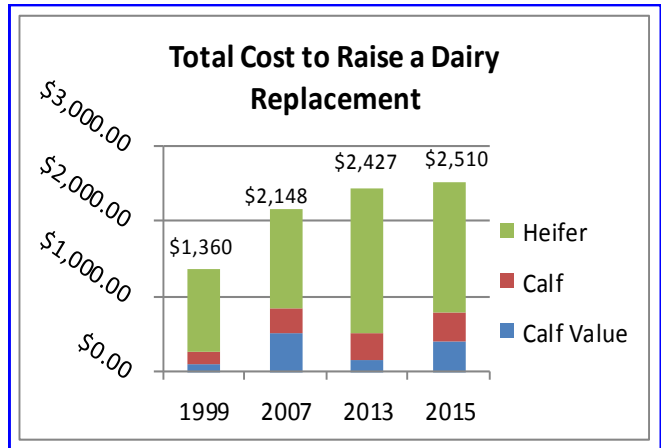
Costs associated with raising heifers from weaning until freshening (or when returned from grower) based on the UW-Extension trials conducted in 1999, 2007, 2013, and the 2015 updates are shown in the graph below.



Total Costs – from Birth to Freshening

Since the cost of many farm inputs have increased in the past few years, it is to be expected that dairy replacement rearing costs have increased as well. As mentioned earlier, most data collected was producer-specific. Only a few key assumptions were made to help standardize inputs. This was the same approach utilized when the study was performed in 1999 and 2007. **

Based on the 2015 cost updates, the total cost to raise a heifer, from birth to freshening, averaged \$2,510 (including the \$400 value for the calf). This is actually higher than total heifer costs in 2013 which were \$2427 per heifer due to a \$250 higher calf value in 2015.



Calf and heifer raising is an expensive part of a dairy operation, but it is often overlooked since no direct income is derived from the replacement herd. The data collected in this study provides an excellent benchmark on dairy replacement rearing costs for dairy producers and agri-business professionals. However, to truly understand your own costs of production, you need to analyze your actual farm inputs. This information should be used to compare the performance and cost of your own dairy replacement management program. Identifying areas to improve producer efficiency may lead to enhanced profitability.

** Economic Costs and Labor Efficiencies Associated with Raising Dairy Herd Replacements on Wisconsin Dairy Farms and Custom Heifer Raising Operations Reports are now available.

To view the **ICPA Research Reports** please visit our website at: tinyurl.com/kgd2npj or use the inserted scan code.

