Feed costs consume heifer rearing expenses

A UW-Extension field study found that feed made up more than half of the cost of raising heifers.

by Tina Kohlman

Today’s successful dairy operators recognize that heifers are an important investment in the future. The cost of raising dairy replacements represents 15 to 20 percent of the total cost of milk production.

In 1998, UW-Extension Dairy Team members surveyed Wisconsin operations to determine the costs associated with raising calves and heifers and to benchmark labor efficiencies. Due to inflation and changing economic dynamics, county-based extension educators conducted a similar field survey in 2007 and again in 2013.

In this article, we will summarize the 2013 results for heifers, from the time she was moved to group housing until she was moved back to a group setting for the last time. The time frame was 612 days for tie stall operations and 621 days for freestall operations. Expenditures were broken into four categories: feed, labor and management, variable and fixed costs. Of the 32 operations surveyed that raised heifers, 12 were tie stall herds, 13 were freestall herds and 7 were custom growers.

Custom grower costs spent less

Of these farms, the average cost to raise a heifer was determined to be $1,863 over 612 feeding days or $3.04 per day. Total heifer costs ranged from as low as $770 to as high as $3,806.

When comparing by operation type, the cost to raise a heifer was similar between tie stall and freestall operators averaging $1,956 per heifer ($3.20 per day) and $1,963 ($3.15 per day), respectively. The custom grower costs were $1,440 less, averaging $1,519 per heifer ($2.57 per day).

At first glance, custom growers would appear to be more profitable on a per-day basis. However, several factors need to be taken into consideration. The custom grower, on average, fed heifers 23 days less so we were not able to capture costs associated with the heifer once returned to the producer. Also, animals raised by custom growers were not as mature, averaging 22.1 months compared to 23.5 months for tie stall and freestall operators, respectively. Again, this shortened the days on feed. Finally, labor efficiency was nearly 45 percent higher than tie stall operators ($76.80 per heifer) as compared to freestall operators ($22.96 per heifer) and custom growers ($13.39 per heifer).

Refine the feeding program

Accounting for 57 percent of total costs, feed is the most likely area where costs can be refined. Some areas to consider are:

- Develop a ration based on nutrient needs.
- Avoid overfeeding minerals, vitamins and protein.
- Consider feeding ionophores to enhance feed efficiency.
- Utilize efficient bunk feeding techniques.
- Control forage costs.
- Test forages being fed.
- For some operations, intensive rotational grazing may reduce feed costs.
- Feed high-quality and palatable concentrates to younger heifers.
- Monitor size, age and weight variation.
- Keep weight gains steady.
- Adjust rations to changing environments without overconditioning.

A successful dairy operation can account for most of the expenses that occur on the farm. Can you identify the expenses associated with raising your replacement herd?

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