E
evY heifer has to recover in her lifetime the $1,648 (excluding $500 calf cost) cost of raising her plus the cost of producing milk before she even turns a profit. Another way to look at it is a number of studies indicate raising a heifer low-cost, competitive systems for raising replacement heifers. Examining the cost gives us clues as to where they are developing cost advantages.

What can we do?

It is obvious there are producers who have developed low-cost, competitive systems for raising replacement heifers. The adoption of labor-saving methods or equipment is another opportunity to reduce labor costs in the calf-raising enterprise. This is especially true of the labor-intensive calf-raising portion of the heifer-growing enterprise.

The cost of raising heifers has increased dramatically over the past nine years. It also demonstrates the importance for producers to calculate their own cost of production and to monitor it frequently due to the volatility of input prices. Relying on this survey as a proxy for your production costs may lead you to make erroneous decisions. The goal is not to raise a heifer for the lowest cost but to raise a quality dairy replacement to enter the milking herd at 22 to 24 months of age as cost efficiently as possible.

For more information: The results of this study are available at the following website: www.wisc.edu/dysee/uwex/heifmgmt/heiferreport.html. The budgeting tool used in this study is available on a CD containing the publication “Raising Dairy Replacements” and the computer programs “Ration Cost Analyzer” (analyzes the nutrient content and cost of heifer diets), “Heifer ProQWIK“ (compares producer heifer growth rates with industry standards), and “Raising Cost Evaluator” (calculates the cost of raising calves and heifers). The entire CD is available at Midwest Plan Service for $30. Check the Midwest Plan Service website at www.mwps.org.

Options exist to reduce expenses

We compiled a list of labor-saving ideas for raising calves (Table 1). The usefulness and cost-effectiveness does depend on the operation’s size. Many are simple ideas that save steps, effort, and physical or mental stress. Most can be implemented to reduce costs. Feed cost accounted for 52 percent of the total cost of raising the heifer from time moved to group housing to freshening (or in the case of the custom heifer grower, the time the heifer is returned to the producer). This area needs to be the focal point when analyzing the costs.

The average feed cost was $683 per heifer or $1.05 per day (average 648 days on feed). The low-cost producer was $512 ($0.74 per day for 709 days on feed). A 10 percent reduction in feed costs would save $68 per heifer or $0.10 per day. This represents a savings of $3,400 per 50 heifers.

Understanding heifer nutritional requirements and how to adjust to changing environments without overconditioning is important. Other feed cost factors include using efficient bunk feeding techniques and keeping control on forage costs. Test the forages being fed, and develop a ration based on the heifer’s nutrient needs. Avoid overfeeding minerals, vitamins, and protein. Consider feeding ionophores to enhance feed efficiency. Intensive rotational grazing may provide an opportunity to reduce feed costs. Managing other areas such as heifer health and reproduction impacts the age the heifer freshens.

Feeding TMR weigh back to the heifers is an opportunity to reduce feed costs on many dairies. This can be a good source of feed; however, test the feed to determine the nutrient levels. Mineral and protein supplementation may not be necessary when it is included in the ration. On the other hand, energy levels may be high and, therefore, the inclusion rate may need to be limited to avoid overconditioning. Before considering this option, be sure to consider biosecurity issues.

Need constant monitoring . . .

In the spring of 2007, feed prices were determined for the study to avoid the influence of variation of producers’ prices on feed costs. Since that time, feed costs have risen approximately 40 percent. This represents a jump of $270 per head or $0.42 per day. This has a tremendous impact on the profitability of custom heifer growers and the decision-making process of dairy producers contemplating raising their own heifers or sending them to a grower.

Table 1. Labor-saving ideas for calves

<table>
<thead>
<tr>
<th>Build liquid delivery system</th>
<th>Easy gate access to pens</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-line bucket system</td>
<td>Dishwasher</td>
</tr>
<tr>
<td>Batch milk replacer mixers</td>
<td>Automated bottle filling equipment</td>
</tr>
<tr>
<td>Automated bottle filling systems</td>
<td>All-in, all-out calf housing</td>
</tr>
<tr>
<td>Calf starter feeding bottles</td>
<td>Water and electric utilities located close to calves</td>
</tr>
<tr>
<td>Ergonomic calf pens or hutches</td>
<td>Bedding delivery carts</td>
</tr>
<tr>
<td>Liquid-feed mixing room</td>
<td>Rear access to cal pens or hutches</td>
</tr>
<tr>
<td>Power mixers to mix milk replacer</td>
<td>Front fence buckets or bottle holders</td>
</tr>
<tr>
<td>Dedicated calf equipment and feed mixing facility</td>
<td>Handy carts to carry supplies</td>
</tr>
</tbody>
</table>

Location of calf housing

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January 10: Calf costs

January 25: Heifer costs

February 10: Differences between operations

February 25: Labor efficiencies

March 10: Comparing 1998 to 2007

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