

# The Economics of Wet Calves

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Do you know how much it's costing you to raise your calves on a daily basis? Or, are you thinking about having someone else to raise them for you and don't know how much to pay them? In the last five years, the cost of raising a heifer from birth to calving has gone up \$600 between 2007 and 2013, to about \$2200 per head (Univ. of Wisc.) Although birth to weaning costs are not the highest cost area in the heifer raising program (14% of total cost, Karszes, Cornell 2005), getting calves off to a good start should not be compromised. Of that 14%, nearly 75% of the cost is associated with labor, management and feed.

An estimated cost of raising wet calves is shown in the table below. (Table 1) For a calf on a liquid feed and calf starter diet for 8 weeks and 2 weeks only on dry feed during the weaning stage a total cost of \$282.04 is incurred. Liquid feed can be calculated using pasteurized waste milk or milk replacer (Table 2). This example uses a milk replacer being fed at a rate of 1.5#/day at a cost of \$1.50/lb. for a total of \$126.00/calf or \$1.83/day. Calf starter is determined by price per pound and total pounds of starter consumed in 10 weeks. Total cost for calf starter in this example is \$53.60/calf or .78/day. Variables that can be input by user are shown in yellow.

Bedding, Veterinary, Death Loss, Interest, Paid Labor, and Paid Management are variables that need to be calculated by user. In this example, an interest rate of 4.5% annually; a paid labor rate of \$13 per hour; and paid management rate of \$22 per hour was used. A typical range for feeding/cleaning labor is 5-10 minutes per calf per day in individual housing and about a minute per calf per day in an automatic calf feeding system. Paid Management includes labor and records management and can be factored in at approximately ½ hour/day, depending on herd size and feeding system used.

**Table 1. Dairy Calf Raising Cost**

Dairy Calf Raising Cost (wet calves)	Freestall Operation:all Operation			
	Farm Data		Research - 2013 UW Data*	
	Value/Calf	Value/Day	Owner	Calf Grower
<b>*values taken from Farm Data (feed) and UW Extension (all other values)</b>				
<b>Variable Costs</b>				
Liquid Feed	\$126.00	\$1.83	\$1.55-1.37	\$1.09
Calf Starter	\$53.60	\$0.78	\$0.88-0.99	\$0.92
Bedding	\$8.68	\$0.13	\$0.13-0.05	\$0.35
Veterinary	\$21.99	\$0.32	\$0.25-0.42	\$0.17
Death Loss	\$7.02	\$0.10	\$0.10-0.13	\$0.08
Interest	\$3.96	\$0.06	\$0.06	\$0.03
Paid Labor	\$55.88	\$0.81	\$0.70-1.04	\$0.87
Paid Management	\$4.91	\$0.07	\$0.04-0.08	\$0.08
<b>Total Variable Cost</b>	<b>\$282.04</b>	<b>\$4.09</b>	<b>\$3.72-4.14</b>	<b>\$3.59</b>
<b>Fixed Costs</b>				
Calf Housing	\$16.32	\$0.24	\$0.19-0.31	\$0.19
Calf Equipment	\$6.87	\$0.10	\$0.02-0.19	\$0.02
<b>Total Fixed Costs</b>	<b>\$23.19</b>	<b>\$0.34</b>	<b>\$0.21-0.50</b>	<b>\$0.21</b>
<b>Allocated (Fixed + Variable)</b>	<b>\$305.23</b>	<b>\$4.42</b>	<b>\$3.93-4.64</b>	<b>\$3.80</b>
<b>Opportunity Cost of Labor</b>	<b>\$150.00</b>	<b>\$2.17</b>	<b>\$1.55-0.95</b>	<b>\$0.01</b>
<b>Total Costs</b>	<b>\$455.23</b>	<b>\$6.60</b>	<b>\$5.48-5.59</b>	<b>\$3.81</b>

Fixed costs include calf housing and equipment. Costs used to determine housing include homemade calf hutch at \$200; purchased calf hutch at \$400; greenhouse barn at \$10 per square foot; and/or post-frame calf barn at \$15.50 per square foot. Investment values are fully depreciated on new facilities. Opportunity costs of labor need to be considered relative to paid labor costs. Notice there is a highly significant difference between custom growers and farm operators on total labor cost.

Farm data is input on the far right of the table, while 2013 UW research data is noted on far right to include actual owner costs in freestall/tiestall operations as well as data collected from calf growers. The majority of the owner farms and custom grower farms utilized pasteurized waste milk (valued at \$5/cwt), lowering their liquid feed cost considerably.

**Table 2. Feed Calculations**

Feed Calculations	
Weaning Age	69 days
Pasteurized Milk	0 quarts 0 gallons 0 pounds 0 cwt
Total Pasturized Milk Value	\$5 \$/cwt \$0.00
Milk Replacer	84 lbs \$1.50 \$/lb
Total Milk Replacer	\$126.00
<b>Total Liquid Feed</b>	<b>\$126.00</b>
<b>Liquid Feed Value/Day</b>	<b>\$1.83</b>
Calf Starter	134 pounds 0.4 \$/lb
<b>Total Starter Value</b>	<b>\$53.60</b>
<b>Starter Value/Day</b>	<b>\$0.78</b>

Source: Economic Costs and Labor Efficiencies Associated with Raising Dairy Herd Replacements on Wisconsin Dairy Farms and Custom Heifer Raising Operations.

<http://eauclaire.uwex.edu/uwex-icpa-project/>