

What's It Cost to Raise Heifers?

The cost of raising heifers is well above their market value. So, growers might consider avenues such as rotational grazing, alternative feeds, intensified feeding, precision feeding, and reducing the number of heifers needed in their quest for best management practices for improving both heifer performance and profits.

An estimated cost of raising heifers is shown in the table on the right. For 24 months of feeding, around six tons of dry matter is needed per heifer for a total feed cost of \$1,224. The livestock costs add another \$273.52. Facilities and equipment add another \$230.60 for a total of \$1,728.12 before heifer ownership cost or labor is considered. This equates to a cost of \$2.37 per head per day without labor on average or a cost of \$2.73 per head per day with labor included.

For custom raisers of calves and heifers this is an important number to know. For those owning and raising heifers from birth to calving for sale, the ownership cost of \$87.50 (interest on investment) and the initial calf value of \$175 in this example needs to be added in to obtain a break-even sale value of \$2,260 over the 24 month period.

It is important to realize that reducing the heifer raising period from 24 months to 23 months saves approximately \$94 per heifer for a total cost of \$2,166 per heifer raised. For a 100 cow herd raising 40 replacements each year, this savings would equal \$3,760 per year.

Reducing the cull rate by 10% would further reduce heifers needed by four thus reducing heifer raising costs by another \$7,964 (\$2,166 - \$175 calf value = \$1,991 x 4). And, studies prove rotational grazing of dairy heifers reduces the cost of raising heifers. So, this budget has 1.25 ton of pasture forage per heifer, else the feed costs would be even higher.

It costs \$5-\$6 per calf per day to raise a calf from birth to weaning. A 56 day birth-weaning period typically has an estimated \$336 of expenses. If this birth-to-weaning cost is subtracted, along with the ownership cost and initial value of the heifer, the cost to raise from weaning-to-calving is \$1,661.50 over 674 days or \$2.47 per day for the average weight heifer.

For custom heifer raisers who obtain the heifers after weaning without taking ownership, the above thumb-rule would be a good starting point for negotiations but could vary depending which costs above feed costs (veterinary, medicine, breeding, and bedding) need to be recovered. Returns to labor and facilities are often very negotiable from one producer to the next depending on opportunity costs of each due to facility age or demand for use.

<i>*Itemized Costs -- 2014</i>		Heifer Raising Budget	
		1 Heifer	for 24 months
Feed Costs (DM = Dry Matter)		Feed Costs	
Hay/Haylage - DM	\$508	2.50	ton
Pasture Forage - DM	\$124.12	1.25	ton
Corn Silage - DM	\$110.45	0.75	ton
Corn Equivalent - US No. 2	\$126.36	26.00	bu.
By Product Feed			
Protein Supplement	\$186.62	720.00	lb.
Salt and Minerals	\$7.56	50.00	lb.
Fat Supplement	\$1.13	3.00	lb.
Milk Replacer/Calf Feed	\$159.84	200.00	lb.
	\$1,224	6.00	DM ton/hd
Livestock Costs		Livestock Costs	
Dairy Supplies	\$10.00		head
Freight/Trucking/Hauling	\$5.00		head
Veterinary & Medicine	\$70.00		head
Breeding Fees	\$42.00		head
DHIA/Accounting/Legal	\$3.00		head
Marketing	\$1.00		head
Bedding Costs	\$100.00	1	ton
Gas/Fuel/Oil	\$15.52	4	gal.
Electricity	\$17.00	170	kWh
Other (oper. int., phone)	\$10.00		head
Facilities & Equipment Costs		Facilities & Equip Costs	
<i>This includes depreciation, interest, repair, taxes and insurance.</i>			Cost/Head/Day
Manure Storage	\$20.70	\$0.03	head
Heifer Housing	\$156.98	\$0.23	head
Machinery and Equipment	\$52.92	\$0.08	head
Note: A thumb-rule for non-feed costs, including labor but not calf ownership, is approximately \$1 per head per day from birth to calving.		\$2.37	Cost/head/day
		\$2.73	with labor included
		\$87.50	Ownership Cost/hd
		\$175.00	Initial Calf Value
		\$264.00	22.00 hrs/hd
		\$2,260	Total Cost (24 mon)
		\$2,166	23 Month Cost

* ISU Extension Dairy Budget

Heifer Raising Costs Thumb-Rule Slide Guide

A slide rule for heifer raising costs with labor included would be \$2.45 at 700 pounds with \$0.15 slide down for each 100 pounds under 700 pounds and a \$0.20 slide up for each 100 pounds over 700 pounds. Realize costs vary greatly from farm to farm. Thus, realize this thumb-rule slide guide is just that--a thumb-rule guide. Please calculate your own costs.

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