

# Contract Dairy Heifer Rearing



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**Written Agreement between a  
*Heifer Rearer* and a *Dairy Farmer***

# Why have a Written Agreement

- **A Written Agreement is important**
  - A record of what's agreed
  - It's a written commitment to the arrangement
- **May be required by:**
  - **DVO in cases of disease Issues**



# A Written Agreement

- **Only as good as the other parties “word”**
- **Honesty, Trust, some flexibility and Regular Communication are critical to success!!**
- **Start with the practical items**
  - **Start and end dates – “rearing period”**
  - **Number of animals**
  - **Breeding: how will this be handled**
  - **Veterinary Costs – Vaccinations etc.**
  - **Weighing: Management Tool**
  - **Grazing System – Leader/Follower ??**
  - **Payment Rate/Payment Procedure**
  - **Get Agreement: then write it down**







# Target Weights

**Table 1. Target weights for pure bred and crossbred Replacement Heifers at different stages during the 24 month rearing period.**

	Month	% Mature liveweight	Holstein Friesian	New Zealand / Br. Friesian	Jersey X Holstein Fr.
Birth	February		41	38	34
6 Weeks	March		63	56	56
3 Months	April		90	80	80
6 Months	July	30%	155	148	138
8 Months	September		175	170	160
9 Months	October	40%	220	210	196
12 Months	February		280	267	250
15 Months	March	60%	330	315	295
19 Months	September		450	425	390
21 Months	November		490	470	437
24 Months (pre-calving)	February	90%	550	525	490

# Veterinary Issues

- Consult with your Vet and the local DVO
- Same protocol for routine vet operations
- Vaccination programme on both farms?
  - BVD, IBR, Salmonella, Leptospirosis etc.
- DVO Requirements
  - NBAS 31A form used for transfer animals
  - Blue Cards Must Move with
  - Normal Testing procedures apply
  - **Timing of Annual herd TB test is critical**
  - Multiple herds not desirable but may be unavoidable



# AI & Breeding

- Heifers are the highest €BI animals
- Weight Targets & Breeding are critical
- Heat detection
- Breeding chart, Tail paint, Scratch cards, Kamars, Teaser Bull
- Dairy farmer generally organises AI, choosing bulls and/or supplies bulls to clean up
- Synchronisation protocols may be useful.
- Decide who pays and how this will be done.





# Potential gain for Heifer Rearers

- Potentially more profit if Technical performance is good
- Technical Performance:
  - Grassland Management
  - Weight Gains
  - Breeding Targets.
- Provides a steady monthly cash flow
  - Paid by monthly direct debit.
- Risks associated with market price fluctuation are eliminated
- No money tied up in livestock – not buying the stock
- Advice from accountant required if selling off existing stock
- Can help to increase stocking rate & output on the farm



# The potential gain for dairy farmers

- Replace Heifers with Cows on the Grazing Platform
- Frees up labour to specialise more on dairying
- Reduces the number of cattle groups
- Where rented/leased land is scarce or too expensive
- Could suit farms where heifer accommodation is limiting or will be limiting



**Table 1: Suckling to Weanling/Store Farm 2016\***

Profit Monitor 2016					
	Average	Top 1/3	Suckling & Contract Rearing	Contract Rearing Only LSR	Contract Rearing Only HSR
Farm Size (ha)	32.1	33.9	32.1	32.1	32.1
Stocking Rate (LU/ha)	1.56	1.92	1.92 (2.5hu/ha)	1.56 (2.08 hu/ha)	1.92 (2.5 hu/ha)
			€1.30/heifer/day at 14 heifer units** for 549 days	€1.30/heifer/day at 65 heifer units for 549 days	€1.30/heifer/day at 80 heifer units for 549 days
Gross Output (€/ha)	998	1,412	€998+ €311 = €1,309	€1,445	€1,779
Variable Costs					
Feed***	144	161	177	152	187
Fertiliser/Lime	121	143	143	121	143
Veterinary	73	83	92	91	112
AI	13	15	32	91	112
Contractor	124	122	122	124	122
Other	75	83	83	75	83
Total Variable Costs (€)	550	607	649	654	759
Gross Margin (€)	448	805	660	791	1,020
Fixed Costs (€)	484	547	547	484	547
Net Profit/ha Excl. Premia (€)	€36	€258	€113	€307	€473

\*Net profit: must pay for capital repayments on loans, taxation and living expenses.

\* The figures in shown Table 1 are calculated on a payment rate of €1.30/hd/day for 549 days.

\*\* A heifer unit (hu) is equivalent to one heifer calf and one maiden heifer. One heifer unit equates to 77% of a Livestock unit as the calves will be on farm for approximately 8 months of the first year and 10 months of the second year.

\*\*\* 300 kgs of meal (@ €250/tonne) is allowed per heifer unit

# Summary

- **Business Arrangement Between a Dairy Farmer and a Rearer**
  - **Trust, flexibility and good communication are critical to success**
  - **A written agreement is important to keep a record of what is actually agreed.**
  - **A forward budget is critical & Cost Control Planner**
- **Heifers are transferred to rearers herd number (NBAS31A form)**
- **Profit depends on good technical performance**
  - **Maximising the use of grazed grass**
  - **Leader follower system**
  - **Regular Weighing**

