

Hay cattle

COST OF RAISING DAIRY HEIFER REPLACEMENTS IN HUMBOLDT COUNTY, JANUARY 1967

by

Charles M. Lawrence, Farm Advisor and Phil Parsona, Economics Specialist

The costs in this study were established by a group of knowledgeable dairymen. They are based on a medium sized calf such as a Guernsey or a crossbred calf of a large and small breed. Larger or smaller calves would have more or less costs than those shown. Hay consumption as indicated is marginal for winter growth. No allowance was made for hay waste during feeding. Good pasture during the yearling stage is necessary to support normal growth for freshening at 24 months.

From Birth to Weaning (0-4 Months) Cost per Calf

CASH COSTS

Value of calf	\$ 15.00
Milk (30 days @ 6 lbs./day @ \$2.50/cwt.)	4.50
Powdered milk feed grade (90 days @ 1 lb./day @ 11¢/lb.)	9.90
Grain (30 days @ 1 lb./day @ \$4.25/cwt.)	8.93
(90 days @ 2 lb./day @ \$4.25/cwt.)	
Hay, local pasture crop (150 lbs. @ \$25/ton)	1.88
Vet., medicine	.50
Bedding	.50
Miscellaneous	.20
Death loss (5%)	3.26
Labor (11.1 man hrs. @ \$2.00/hr.)	<u>22.20</u>

CASH COSTS BIRTH TO WEANING \$ 66.87

From 4 Months to 10 Months

CASH COSTS

Hay, local pasture crop 1373 lbs. @ \$25/ton	\$ 17.16
Grain 180 days @ 2 lb./day @ \$4.25/cwt.	15.30
Vet., medicine	.50
Bedding	.50
Miscellaneous, corral equipment, etc.	.75
Labor 3 hrs. @ \$2.00/hr.	<u>6.00</u>

CASH COSTS 4-10 MONTHS \$ 40.21

TOTAL CASH COSTS BIRTH TO 10 MONTHS \$107.08

From 10 Months to 23 Months

CASH COSTS

Pasture 9 months @ \$4.50/month	\$ 40.50
Hay, local pasture crop 1540 lbs. @ \$25/ton	19.25
Breeding charge	2.00
Labor 1 man hour	2.00
Pickup use	2.00
Miscellaneous	.20
Death loss (1%)	1.12
Taxes assessed value x 8% tax rate	<u>1.92</u>

CASH COST 10-23 MONTHS \$ 68.99

TOTAL CASH COST BIRTH TO 23 MONTHS \$176.07

1 Month Prior to Freshening (23 to 24 Months)

CASH COSTS

Hay 650 lbs. @ \$25/ton \$ 8.13

TOTAL CASH COST BIRTH TO 24 MONTHS & FRESH \$184.20

NON-CASH COSTS

Birth to 4 Months

Depreciation on buildings, pens & equipment
\$1,000 value for 25 calves \$ 1.60
Interest on investment (6% x average value) 2.02

4-10 Months

Interest on investment (6% on average value) \$ 2.71

10-23 Months

Interest on investment (6% on average value) 9.61

1 Month Prior to Freshening

Interest on investment (6% on average value) .98

TOTAL NON-CASH COST BIRTH TO 24 MONTHS & FRESH \$16.92

TOTAL ALL COSTS BIRTH TO 24 MONTHS & FRESH \$201.12

Each dairyman should know his own cost of raising replacements for several reasons. First, dairy heifers are a readily marketable commodity. They sell daily throughout the state and their values are well known. No dairyman would want to spend very many dollars more in raising a heifer than he could buy her for in the market. Secondly, a heifer is like a bond. You put money into it, but must hold it to maturity to get it all back. Your money invested in heifers for 2 years could be spent for more hay and grain now, which should increase your income enough to buy heifers when needed. The decision to buy or raise is all based on your cost and efficiency in raising.

The program outlined in this study is one in common use in this area. Several alternative programs are in use also. One is to wean earlier using more grain and less milk or powders. At the costs shown in this study you could substitute 2½ lbs. of grain for 1 lb. of powdered milk for the same cost. Another alternative is to pasture the calves between 6 and 10 months old, saving considerable hay. This practice will usually increase the veterinary and medicine costs and possibly death loss costs due to parasite attacks. Young calves, severely parasitized on pastures, are often brought back in and dry lotted. They have lost several month's growth in the meantime. A recommended practice, not included in these costs, is to feed grain to heifers 4-6 weeks before calving. This helps the heifer hold her weight as her calf grows. It helps her build udder development she has never had before. It also gets her used to grain feeding so she will take larger amounts right after calving and get on feed quicker. Feeding 3 lbs. of barley or hominy per day for 45 days would add \$5 to \$6, depending on grain prices, to the heifer's total cost prior to freshening.