

Contract rearing a winning choice

Contract heifer rearing is good for the dairy farmer, the contract rearer and the heifer herself

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- Are you struggling to find enough labour?
- Are there too few hours in the day?
- Are you short of housing for young stock?
- Are you fighting to stay under the Nitrates regulation limits?
- Do you have a land lease that is coming to an end?
- Are your heifers underperforming, not lasting in your herd?
- Are you missing heats in your herd during the breeding season?
- Have you health issues in calves due to overcrowding or poor housing?
- Are you carrying replacement heifers on your grazing platform?



If you can answer yes to any of these questions you should seriously consider having a competent calf-rearer rear your heifers on contract. As with anything, outsourcing heifer-rearing won't suit everybody, or every situation, but the benefits are so compelling that virtually all dairy farmers should seriously consider the possibility.

"If your cows can walk to a piece of ground you shouldn't be using it for heifer rearing," says GD Young, who farms near Mullingar, Co Westmeath. But for GD, the benefits of sending calves to Diarmuid Conway and his father Ciaran go beyond optimising grass management.

"The ideal for any dairy farm is to have a person focusing almost exclusively on calf rearing but that's difficult when there are so many other

things to do in spring; by working with a good specialist calf-rearer you have that."

How do you establish a successful contract-rearing partnership?

"It's really about trust and give-and-take," says GD Young. "If you know the contract rearer, or they have been recommended to you, that's a good start. But you will also want to visit the farm to get an impression of how things are done before you make an agreement. And during the first year you'll likely visit regularly to see how the heifers are getting on.

"Communication is another key thing. If there are any problems you can work them out together. Regular weighing is essential, obviously, and the data is the basis for a discussion about whether heifers are on track. But it's important to have a bit of give and take. The dairy farmer can't expect perfection – none of us achieve that!"

For the rearer, success is achieving the heifer performance required and getting paid the agreed rate, on the agreed date each month and by the agreed method. For the dairy farmer, success is well-reared heifers that reach the weight targets (Table 1) on key dates such as housing and breeding, and that 95% are in-calf within six weeks.

Each agreement can be different. Jim Dwyer, a dairy farmer who farms near Borris-in-Ossory, Co Laois,



Jim Dwyer.



sends heifers to be reared by Henry Whiteford but manages the synchronisation and AI of his heifers. "This arrangement has worked very well for us," says Jim who has one year under his belt.

"Drystock farmers have to have excellent animal husbandry skills as their animals get less handling. I think Henry was pleasantly surprised at how placid Jersey crosses can be.

"There's no doubt that contract rearing can be a win-win with many benefits for both sides. It allows us to focus entirely on producing milk solids and the rearer hopefully has a profitable system with good cash-flow. But nothing with animals is 100% controllable so senders can't expect everything to always running perfectly smoothly but on the other hand rearers must be realistic about what they charge. It's a question of balance."

What does it cost?

The thing for dairy farmers to realise is that, whatever the cost, you are already incurring it if you are rearing

the animals yourself (Table 1).

The overall cost is less visible on most dairy farms because it is included in overall farm costs. What does contract heifer-rearing actually cost?

The simple answer is that it depends on how the arrangement is structured and how the costs and tasks are divided.

Typically, dairy farmers pay for breeding costs such as AI straws, heat detection aids and providing stock bulls. Where calf rearing is involved, the dairy farmer often pays for the milk replacer. Contact your local Teagasc advisor to give you a good steer on what contract rearing will cost per day. But first you should work out what it is costing you to rear your heifers.

The biggest challenge for the dairy farmer in terms of cost is to budget for paying the contract rearer at lean times of the year such as January, February and March before milk cheques start to arrive again. The bottom line is you must pay the contract rearer as agreed.

GD Young and Diarmuid Conway.

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Table 1: Costs associated with rearing replacement dairy animals with current cost and prices

Category	Cost (€)
Variable costs	
Concentrates	165
Fertiliser, lime and reseeding	155
Land rental	200
Machinery hire	15
Silage-making	90
Vet, AI and medicine	128
Total variable costs	753
Fixed costs	
Car use, water and electricity	30
Labour	203
Machinery operation and repair	20
Phone	10
Insurance, A/Cs, transport, sundries	39
Interest repayments- term loan	86
Total fixed costs	388
Depreciation costs	
Buildings	55
Machinery	22
Total costs	1,218
Initial value of the calf	350
Sales of heifers failing to conceive	-23
Net cost of rearing a replacement heifer	1,545



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Tommy O'Riordan.



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What veterinary issues arise?

The best advice is to consult with your own vet about your farm disease history and any risks of rearing heifers on contract. You should also contact your local district veterinary inspector for advice in relation to minimising your risk of TB. It makes good sense to look into moving your annual TB test to the middle of the year so that in the event of a problem that you have every chance of being clear when animal movements need to take place.

"There is a major benefit if your rearer doesn't have any other stock on his land," says Jim Dwyer. "That eliminates a lot of the risk in terms of disease transfer."

Do I need a written agreement?

Yes. Many farmers don't bother and this is fine if everything goes well. But, if nothing is written down, the details of a verbal agreement can become fuzzy as time goes on. This can lead to disagreements over minor things that can grow into bigger issues.

Most farmers who are contract rearing rarely look at the agreement as they work on the relationship with the rearer but it is always there as a reference point.

Don't fear a written agreement. It is simply a record of what you have agreed with the rearer. This includes

the identity of the animals involved, the dates of the agreement, the payment rate and date as well as dates for administration of vaccines, doses and details of how breeding is to be handled.

What are the obligations of the dairy farmer?

The key obligation for the dairy farmer is that calves are healthy when they arrive at the contract rearer's farm. Have all calves received three litres of good quality colostrum in the first two hours of life? A random blood test can be carried out to test for immunity levels of calves.

If there is a history of pneumonia, the calves should be treated for this prior to departure. Healthy calves delivered to the rearer means fewer issues and the calves can thrive from day one of the arrangement. Weaned calves should be at their weight target for their breed before they arrive on the rearer's farm. For example, Holstein Friesians need to be 90kg at weaning.

"Calves have to be in really good shape when they leave here," says GD Young. "If they don't have a good start, they can't perform as well during rearing."

Contract rearing discussion group network

Teagasc is forming a national network of discussion groups exclusively for contract rearers. These will be facilitated by a Teagasc advisor. These groups will focus on issues such as rearing calves, grassland management, weighing and profit from the

enterprise. If you are looking to make contact with a farmer to rear your heifers, call your local Teagasc office to get in touch with a local contract rearer discussion group facilitator.

Tommy O'Riordan who farms near Clonakilty in west Cork is calving down 350 cows and has been in a contract rearing arrangement with Denis O'Hea for the past 10 years. "The offer of contract rearing came a bit early for me but I went with it because I knew Denis and knew he would do a good job.

"Contract rearing simplified my dairy farming system and the main benefits I see are great quality stock returning; compact calving because heifers are reaching their weight and breeding targets. We can focus on cow management and it is easier to manage the home farm.

"Working with the right person and regular weighing are the key success factors," said Tommy.

"We meet on the rearer's farm to weigh the heifers together and it is a good social outlet for both of us to have a chat and discuss the performance of the heifers.

"As dairy farmers, we sometimes have a tendency to focus on the here and now – i.e. the milking herd and not on the future herd. A competent contract rearer solves this issue and helps to bring the breeding policy of the farm to its full potential. Find someone you can have a good working relationship with and trust. If you can find this person, the details of the contract arrangement are easy to negotiate and it'll be a win for all involved."