

# Contract rearing dairy replacements — the rearer’s perspective

Tom Coll<sup>1</sup> and Seamus Nolan<sup>2</sup>

<sup>1</sup>Teagasc, Drystock Advisor, Mohill, Co. Leitrim; <sup>2</sup>Teagasc, Dairy Adviser, Castlerea, Co. Roscommon

## Summary

- The increase in popularity of contract rearing is driven mainly by expanding dairy herds and farmers who want to streamline labour at their current scale.
- As with any collaborative farming structure, there are benefits and risks for both parties involved.
- Dry stock farmers view contract rearing as a means of increasing stocking rate with little capital outlay, to grow gross output and the overall profitability of their holdings.
- A detailed contract agreement specific to the farms involved should be put in place and agreed including a herd health plan and target weights at arrival and return.

## Introduction

This paper will outline the pros and cons of contract rearing from the rearer’s perspective, using the collective experiences of farmers in a dedicated contract rearing discussion group based in the Sligo/Leitrim region.

## Contract rearing in practice

The Sligo/Leitrim contract rearers’ discussion group was formed in 2015 and now consists of 18 active contract rearers and two farmers who intend to contract rear in the near future. The farmers are beef and sheep farmers with good grassland management skills and infrastructure and look on contract rearing as a means of increasing stocking rate with little capital outlay, to grow gross output and the overall profitability of their holdings. In 2017 group members were asked to list the benefits associated with contract rearing from their perspective and those are outlined hereunder

- Ability to increase stocking rate with immediate effect, making better use of available land and buildings without the requirement to invest in stock.
- Improved cash flow while the risk associated with market and price fluctuations is eliminated and increased overall profitability makes farm planning easier.
- Clear guidelines are outlined regarding targets weights and pregnancy rates which keeps the rearer focused on the job.
- A means of building a long term trustworthy relationship with the dairy farmer.

Group members were also asked to list the negatives and associated risks:

- It takes time to build trust and form a working relationship with the dairy farmer - the first bump on the road and how it is dealt with is vital.
- Heifers arriving on the rearers farm under target weight for age. These animals will be the ones that the rearer will continually struggle with to meet the targets and will reduce farm profitability. Dairy farmers need to ensure that all heifers sent out for rearing are on target 90–100 kgs at weaning.
- Heifers arriving on the farm sick will also have a huge effect on their potential to reach targets. The dairy farmer and rearer need to draw up a health plan with a veterinary surgeon to manage the health status of the animals leaving both farms.

- Initial contract is difficult to set up with some dairy farmers pulling out at the last minute and leaving the rearer without stock.
- The contract rearer needs to be technically efficient, an excellent grassland manager and aware of the benefits of reaching target weights especially achieving the 60% of mature weight at bulling.
- There is a cost associated with changing the annual herd test date to earlier in the year to allow enough time for retesting stock in the case of a TB outbreak. The rearer should liaise with his local DVO prior to entering into an agreement.
- There is a disease risk when stock are taken onto the farm especially where there are existing animals on the farm.

Group members were asked to advise on key factors that should be agreed upon in advance of the first animals arriving on farm:

- A detailed written and signed contract agreement specific to the farms involved put in place and agreed including a herd health plan, target weights at arrival and return and a breeding plan.
- Regular six weekly weighing of stock should be undertaken to identify underperforming animals for timely corrective action.
- In the first year of the contract agreement, both parties found it beneficial for the dairy farmer to hold onto 25% of the heifers and rear them himself as a means of comparison. This can be used as an aid in the trust building process.
- Use of heat synchronisation and tail paint/patches as an aid to heat detection to ensure pregnancy rate targets are reached.
- The use of an intermediary person such as an agricultural consultant appointed by both parties to dissolve disputes and find solutions when difficulties arise.
- Being part of a discussion group sharing experiences and acquiring additional knowledge.

### Conclusions

Contract rearing is a win-win for dairy and dry stock farmers. The dairy farmer has the use of the contract rearer's land, labour and buildings which should reduce his/her own labour requirement and need to invest in additional building for heifer rearing. Dairy farmers should carry out a cost benefit analysis of contract rearing on their own farms. The drystock farmer, who is technically efficient, a good grassland manager and makes excellent quality silage, will meet the dairy heifer rearing targets and generate a viable farm income.