Guidelines to using the Heifer Rearing Cost Calculator

This calculator is intended as a guide for farmers who are considering calculating the cost of rearing heifers – particularly those interested in contract rearing of replacement heifers.

To complete the calculator the yellow boxes should, where applicable, be filled with your estimate of the costs. Where you currently are involved in livestock production on your own farm, you should complete a Profit Monitor to generate a more accurate picture of the rearing costs for your farm. The cost categories included in the Calculator are similar to those in the Profit Monitor reports.

1. Insert dates
Firstly insert the average date of birth of the heifers that you will rear. Then input the expected arrival and return dates. For all of these dates use the dd/mm/yyyy format e.g. the 23rd May 2013 is 23/05/2013. Inputting these dates is important as it allows a livestock unit equivalent figure to be generated which will help to generate guideline costs1.

2. Select a cost category
Select the cost category – these are the costings generated from Profit Monitor dairy farms in 2012. The default category is the ‘average’ cost category. When you click on the box a drop down arrow will appear containing three categories are available:
   • ‘Average’ – the average costs of 1,100 dairy farms in the database;
   • ‘Low cost’ – the average costs of the 1/3 lowest cost heifer rearers;
   • ‘High cost’ – the average costs of the 1/3 highest cost heifer rearers.

3. Input your own costings
Having completed the dates and cost category sections of this calculator, guideline costs will be generated for your farm2. You next need to decide on your own estimate of the appropriate figure for your farm.
   • If the heifers are weaned, then no figure for milk should be included.
   • If meal has already been fed to the heifers before they arrive, then a different meal feeding figure should be used. If all of the vaccinations are supplied by

---

1 The livestock equivalent is the percentage of a 24 month period that a replacement heifer is on the rearer's farm e.g. if a heifer is on the farm for a 12 month period, the livestock unit equivalent is 50%; if she is on the farm for 18 months, the livestock unit equivalent is 75%.
2 These are calculated by multiplying the livestock unit equivalent figure by the guideline costing for the 24 month period e.g. if the livestock unit equivalent is 75% and the guideline costing for the 24 month period is €100, the guideline costing calculated is €75 for the period of time that the heifers are on the rearers farm.
the owner then veterinary costs may be lower. If a stock bull is used, then AI costs will be reduced. Contractor charges include slurry spreading and silage making costs. If heifers are returned home before the second housing period then a lower portion of the silage contractor and where applicable contractor slurry spreading costs should be included in the costings³.

- Other variable costs include items such as polythene, knackery charges, and straw.
- All of the fixed costs except land and own labour charges are calculated on a % of the livestock unit equivalent basis. Include your estimate as appropriate.
- Depreciation can be used to represent a housing and facilities charge for the use of the rearer’s farm.
- Where part of the farm is leased, then this is included in the land charge costings. The land charge per heifer can be calculated as follows. Your estimate of the land opportunity cost e.g. €300 per hectare divided by the number of heifers per hectare e.g. 3 yearling and 3 weanling heifers per hectare = €100 land charge per heifer for her time on the farm.
- The contract rearer’s labour and management fee is your reward for rearing the heifer e.g. if she is on the farm for 18 months the fee is a higher figure than if she is on the farm for 12 months. The more labour intensive the rearing process, the higher the charge will be e.g. if you are using a stock bull for breeding the heifers or the owner is vaccinating the heifers himself, then less labour is required.

4. Cost per animal / per head
Based on your estimate of the costs involved a cost per animal and cost per day is generated. The more accurate your costings are from the start, the more likely you are to generate the margin for the land and your own labour and management.

³ A word of caution, should the heifers remain on the farm for even an extra month at the start of the second housing period, the charges incurred will rise disproportionately. The heifers are at their heaviest coming up to calving and a silage-based diet is considerably more expensive than a grass-based diet. E.g. an 18 month old 450 kg heifer at grass will consume approximately 10kg DM/head/day costing around €0.70 per head per day. A 22 month old 500 kg heifer indoors will consume approximately 11kg DM/head/day costing around €1.65 per head per day. This represents an increase in feed costs alone of 135%.