

# CONTRACT HEIFER REARING

## Introduction

With the removal of milk quotas in 2015 and the subsequent expansion of the dairy herd on Irish farms, many dairy farmers are looking at the opportunities to milk more cows and to increase milk output from their main dairy grazing platform. In order to achieve this, they are seeking alternative ways to access additional land, labour and facilities to rear their

replacement heifers in order to accommodate this expansion. Coupled with the volatility and price uncertainty of the beef sector at present, many drystock farmers are now looking for possible alternative income opportunities for their farms. Therefore, contract heifer rearing has increasingly become an option to fill this role for both dairy and drystock farmers.

## What is contract heifer rearing?

Contract heifer rearing involves the movement of the replacement heifers from the owner's farm to another farm for rearing on a contract agreement.

The replacements may be moved from and returned to the owner's farm at different ages depending on the individual agreements made.

## What are the costs?

Every contract heifer rearing agreement will be different; therefore, the fee per head per day will vary. The highest cost periods to the contract rearer will be during calf rearing and winter housing; therefore, key areas need to be considered when the fee is being agreed. Some questions that need to be addressed are – What age are the calves moved to the contract rearer: 14 days old versus weaned calves? When will they return to the dairy farm? Before or after the second winter? Who will pay for veterinary (vaccination, dosing, TB test, etc.) and breeding costs? Heifer owner or contract rearer? All these areas, plus many others, need to be discussed and agreed before any final fee can be arrived at.

## What are the benefits for dairy farmers?

### 1. Increased milk production and profitability

Where replacement heifers were previously reared on the milking platform, this land can now be freed up and used to increase dairy cow numbers and milk output, thereby increasing farm profitability if completed in an efficient manner.

### 2. Additional labour and facilities

As the contract rearer is completing all works associated with the management and rearing of the heifers, they are complementing and in effect providing additional labour to the dairy farmer. Animal housing, slurry storage and silage holding facilities are provided on the contract rearer's farm, reducing the need for capital investment.

### 3. Ease of management

With the replacement heifers now contract reared on another farm, there is only one group of animals (dairy cows) to be managed on the dairy farm. This allows for increased efficiency and improved management, as there is now only one group of animals to watch over.

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## What are the advantages for contract rearers?

### 1. Cash flow and income

Having an agreed fee per head per day gives the rearer a guaranteed monthly income and they are not dependent on an uncertain beef price and volatile market. Monies are paid directly into the contract rearer's account on an agreed regular basis.

### 2. No investment in stock

There is no requirement to avail of stocking loans to buy animals and the risk of paying high prices to purchase livestock is removed.

### 3. Potential to be more profitable

In an efficiently run contract heifer rearing enterprise, where the priority is to provide a high level of grassland management and produce high-quality silage, a high level of performance can be achieved. Coupled with the removal of the risk of purchasing expensive animals and the beef price uncertainty, there is capacity to make the farm more profitable.

## What happens if there is an outbreak of TB?

This is a very common question in contract heifer rearing scenarios. It can be dealt with in a few different steps.

### Reduce the risk

Ideally contract rearers would only take in heifers from one source farm. Assess the TB history of the farm to ascertain if there is a higher risk of a repeat breakdown.

### Follow the recommended protocols

Ensure good fencing exists between neighbours to avoid nose to nose contact. An excellent bio security protocol in both herds is critically important. Feed animals in raised troughs, not along the ground. Fence off badger sets and badger-proof farm buildings.

### Have a plan if a TB outbreak occurs

Ideally, the contract rearing farm should have facilities to manage calving, feeding and

milking of the replacement heifers in the event of a TB outbreak. In many cases, this may not be practically possible. Where there is a concern about animal welfare, prior permission from the Department of Agriculture, Food and the Marine (DAFM) should be sought to move animals under licence.



Niall Boland and a group of calves he's rearing.

Further information on TB management in contract heifer rearing herds can be viewed at: [www.agriculture.gov.ie/animalhealth/welfare/diseasecontrol/bovinetb/](http://www.agriculture.gov.ie/animalhealth/welfare/diseasecontrol/bovinetb/).

## What's involved in a contract heifer rearing agreement?

There should be a written legal agreement between a heifer owner (dairy farmer) and the contract heifer rearer. The agreement should be signed and dated by both parties and witnessed by an independent person. The basic details that are included in an agreement are outlined next.

### First schedule:

- date the heifers will be moved to and from each farm;
- fee agreed and payment procedure outlined;
- details of the land to be used by the contract rearer;
- breeding procedure, methods involved, who's responsible and number of weeks breeding is to be carried out;
- bonus/penalty clause if applicable; and,
- facilitator identified in the event of a dispute.

### Second schedule:

- list and tag numbers of all heifers to be moved;
- vaccination protocol and who is responsible for supplying and administering; and,
- weighing schedule and targets.

## Summary

For contract heifer rearing to be a success it must be a win-win situation for all parties. A level of trust, honesty and flexibility must exist between parties. Events may change and things will go wrong, so good communication and a give and take attitude are required. It is important to have a written agreement so that the responsibilities of each party are clear.

### Further information

For further information please contact your local Teagasc advisor: [www.teagasc.ie/contact/](http://www.teagasc.ie/contact/)  
+353 (0)59 917 0200  
[info@teagasc.ie](mailto:info@teagasc.ie)

The following resource is also helpful:

- [www.teagasc.ie/media/website/publications/2013/GuidelinesContractRearingReplacementHeifers.pdf](http://www.teagasc.ie/media/website/publications/2013/GuidelinesContractRearingReplacementHeifers.pdf)

Fact sheet produced by Gordon Peppard, Farm Business Structures Specialist.

[www.teagasc.ie/ruraldev](http://www.teagasc.ie/ruraldev)



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