Beef
A Teagasc Advisory Newsletter
September 2014

New income stream

Contract rearing is beginning to make commercial sense for some farmers. Could contract heifer rearing work for you?

We are facing into a new era post quota abolition. Contract rearing will become more widely practised as dairy farmers increase their cow numbers. Contract heifer rearing is an agreement where a dairy farmer pays a contract rearer a set fee per day, for an agreed period of time, to rear his/her heifers. It is an opportunity for cattle farmers to work with dairy farmers to improve profitability.

Profit and cash flow

Contract heifer rearing can deliver the same or a better profit than cattle farming. It will depend on your stocking rate and your costs along with the rate paid (see **Table 1**). One significant advantage is that there isn't a need for dramatic investment as the stock remain in the ownership of the dairy farmer. A big advantage is that you know how much you are getting paid and can have the money paid into your account each month.

Lifestyle?

This comes up time and again. Many suckler farmers feel that there is a low return from suckling and that the labour input is high, particularly at calving. Many farmers feel that dairy-bred, bucket-fed animals are easier to handle and safer for children on the farm.

Disadvantages to contract rearing

All joking aside, working with another farmer is a different way of working. Where contract rearing has worked well is where both farmers are on the same page and are attempting to get the heifers reared in the best possible way. Neither farmer should feel like they are being squeezed for the last penny!

Assumptions

Heifers arrive as weaned calves on May 1 and leave the rearer's farm on November 1 of the following year (549 days). Each heifer unit includes a calf and a yearling heifer. So, 2.4 heifer units/ha on 40ha is 96 calves and 96 yearling heifers. 300kg of meal (€250/t) is fed to each heifer (1kg/day for two weeks after turnout and 1.5kg/day for six weeks pre housing, then 1.5kg/day over 92 days of first winter).

What rate for each of the heifer rearing stages?

Each farm will be different but, as a rough guide, the stages can be broken down as follows (where all costs are borne by the rearer):

- calf rearing (drop calf – three months) €2.00/day;
- calf grazing €0.80/day;
- weanling winter €1.80/day;
- yearling grazing €1.05/day; and,
- in-calf heifer winter €2.10/day.

How to stock your farm fully?

This is a real issue for contract rearers. Some contract rearers have stock from more than one dairy farm, or have their own stock along with dairy heifers. Another viable option is for the rearer to take all of the calves, including bull calves, from the dairy farmer. TB testing should be carried out in the summer to ensure time for retesting should an animal go down in the test. Should a dairy farmer or rearer be locked up with TB, the Department will allow transfer of animals from one farm to another, but both herds will be locked up.

Table 1: How does the financial return compare to beef?

	2013 average suckling-to-beef farms	Rate: €1.10/ heifer/day
Stocking rate (Lu/ha)	1.9	1.9
Heifer units/ha	-	2.4
	€/ha	€/ha
Receipts	**1,376**	**1,450**
Variable costs	€/ha	€/ha
Feed	342	180
Vet/AI	91	192
Fertiliser and lime	187	187
Contractor	125	125
Other variable	88	88
Total variable	833	772
Gross margin	**543**	**685**

Table 2: Target weights for different breeds of replacement heifers

Age	% mature weight	Holstein Friesian	New Zealand Friesian	Jersey Crossbred
6 months	30%	155kg	148kg	138kg
9 months	40%	175kg	170kg	160kg
15 months	60%	330kg	315kg	295kg
24 months	90%	550kg	525kg	490kg

Dairy farmer's view

Contract rearing of heifers will be attractive to dairy farmers if:

- labour is short on their farm; and,
- land can be freed up to carry more cows by moving the replacements off.

What a dairy farmer will be looking for

They will be looking for a farmer with good grassland and livestock skills so that key animal performance targets will be achieved. They will be looking for someone that they can trust to take care of the future of their dairy herd.

Set out clearly in advance how the targets are going to be monitored and what is to happen if they are not being achieved (how often will the stock be weighed?). In general, the weight targets are very achievable where grassland management is good.

Key targets (**Table 2**)

- Heifers need to gain 22kg per month from birth to calving if calving at 24 months. If calving younger than this, they need to gain more per month.
- All heifers have to be submitted for breeding in the first three weeks of breeding.
- All heifers must calf down in the first six weeks of calving.

Dairy calf-to-beef

Here's an update on early maturing dairy calf-to-beef production systems.

In spring 2011, the early maturing dairy calf-to-beef study was established at the Johnstown Castle research farm. The aim of the research was to provide greater insight into the potential of these breeds from low-input pasture-based production systems. The study at the Johnstown Castle research farm is relatively small scale but is being repeated over multiple years, providing a clearer insight into the merits of alternative early maturing dairy crossbred production systems. Two years' data has been completed to date and the results are presented below.

Results from heifer production systems

Each finishing system contained 16 animals. Of the 32 February-born heifers, the first 16 animals (eight Angus and eight Herefords) were slaughtered in September at 19 months of age. The remaining February-born heifers were slaughtered in November at 21 months of age, thus providing data for a further two months' finishing. Both heifers in 19- and 21-month production systems were slaughtered off pasture. Animals received 2.5kg of concentrates per day for 60 days pre slaughter. The physical performance of the Aberdeen Angus and the Hereford production systems were similar and so, for the purposes of presentation, are integrated from here on. Heifers in the 19-month production system were 466kg at slaughter yielding a carcass of 234kg. Liveweight and carcass weight for

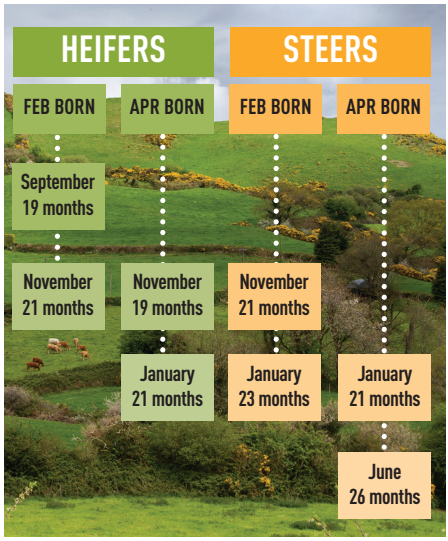

Figure 1: Overview of the production systems for early maturing heifers and steers.

heifers in the 21-month production system were 474kg and 244kg, respectively. Carcass conformation for heifers in both production systems were predominately 'O=' with carcass fat classes of 3-/=.

The April-born heifers also had two ages at slaughter. The first group were slaughtered in November at 19 months following supplementation of 2.5kg concentrates for the final 60 days at pasture. The remaining animals were housed and finished on silage *ad-libitum* with 5kg of concentrates per day. These animals were slaughtered in January at 21 months of age. April-born heifers in the 19-month production system had a liveweight at slaughter of 463kg yielding a carcass weight of 237kg. The heifers in the 21-month production system had a liveweight and carcass weight of 503kg and 249kg, respectively. Carcass conformation for heifers in both production systems were predominately 'O=' with carcass fat classes of 3-/+.

Results from steer production systems

Consistent with the heifer production systems, the steers were either February or April born and had two ages at slaughter. The first group of February-born steers were slaughtered off pasture with 2.5kg of concentrate supplementation in November at 21 months of age. The remainder of the February-born steers were housed and finished indoors on silage *ad-libitum* with 5kg of concentrate supplementation per day. These animals were slaughtered in January. Liveweight and carcass weight of 529kg and 277kg, respectively, were achieved for steers in the 21-month production system. February-born steers finished at 23 months of age were housed after the second season at pasture and finished indoors on silage *ad-libitum* and 5kg of concentrate supplementation. Liveweight at slaughter was 597kg and a carcass weight of 302kg was achieved. Carcass conformation for steers in both production systems were predominately 'O=/ O+' with carcass fat classes of 3-/=. Late-born steers also had two slaughter dates. The first group were housed in November after the second season at pasture and finished at 21 months of age on grass silage *ad-libitum* plus 5kg of concentrates. These animals were slaughtered in January and were 546kg liveweight at slaughter. Carcass weight for these steers was 269kg. The final group were housed and stored over the second winter on a silage-only diet. These animals were turned out to pasture for a third season and were slaughtered in June at 26 months of age. Liveweight at slaughter was 618kg and a carcass weight of 318kg was achieved. Carcass conformation for steers in both production systems were predominately 'O=/ O+' with carcass fat classes of 3=/+. Results from the steer and heifer production systems suggest that systems utilising high levels of grazed grass with limited levels of concentrate supplementation were the most profitable.

HEALTH & SAFETY

See farm safety at Ploughing

Tragically, 19 persons have lost their lives in farm accidents as this newsletter goes to press. In response to the upsurge in deaths, the Health and Safety Authority, in association with the Farm Safety Partnership including Teagasc, is organising a renewed and extended Farm Safety Village exhibit at the National Ploughing Championships. This exhibit will deal with the major causes of farm accidents and ill health. There will be a health and safety message for every family member at this exhibit, which will be located beside the NPA Headquarters.

Be sure to visit the Farm Safety Village at the Ploughing Championships this year.

For further information on any issues raised in this newsletter, or to access other enterprise newsletters, please contact your local Teagasc adviser or see www.teagasc.ie.

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