Growing dairy heifers in southwest Iowa

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Abstract
Southwest Iowa farmers were looking for a farming enterprise to add value to their forage and grain production and use their labor. The original plan was to grow dairy heifers on pasture in the summer, sell them in the fall, and keep track of the economics of a dairy heifer system.

Keywords
Animal management and forage, Business management, distribution and marketing, Farmer profitability, enterprise budgets, Niche meat, dairy and poultry

Disciplines
Agribusiness | Agriculture | Animal Sciences

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**Abstract:** Southwest Iowa farmers were looking for a farming enterprise to add value to their forage and grain production and use their labor. The original plan was to grow dairy heifers on pasture in the summer, sell them in the fall, and keep track of the economics of a dairy heifer system.

**Background**

Farmers in Page County and surrounding counties in southwest Iowa indicated an interest in developing dairy heifer herds. They felt this would add value to the forage and grain production operations that predominate in the area. The Dairy and Beef Expansion subcommittee of the Page County Rural Economic Development (PCRED) group expressed further interest in the idea. Conversations with ISU Extension dairy and livestock specialists indicated that there was little data available on dairy heifer grazing, particularly in southern Iowa.

Producers mainly wanted to know if they could count on adequate gains for heifers grazing on pastures rather than dry lot situations. The weather and growing conditions in southwestern Iowa are different than those in other established dairy herd areas. As the project was beginning, a large dairy was coming to Atlantic, and producers attempted (but later failed) to secure a contract with the new operation.

**Approach and methods**

The program was designed to work with local producers who were planning to raise dairy heifers for selling at approximately 1,000 pounds. Organizers planned to start with two to four producers and expand to eight producers, but the unfavorable economics of purchasing heifers and the inadequate supply of quality dairy heifers combined to reduce producer interest. The original plan was to have the producers pasture the heifers in the summer and sell them in the fall. However, the fall sales didn’t go well and this discouraged potential participants.

Participants in the project were to weigh the heifers and take wither heights every four to six weeks during the grazing season, then collect ending weights on the heifers before they were sold. In the first year, three cooperators agreed to participate, but because of problems with weighing facilities, the repeated weighing was carried out only on the Gordon Andersen farm. Additionally the opportunity to sell came up so quickly that often there was no chance to weigh the animals before the sale. This somewhat limited the economic information to be gained from the project.

At the outset, a technician was to be hired to help collect data and work with the dairy producers. When it became clear that the number of producers would remain small, the decision was made not to hire a technician. Then the principal investigator was obliged to collect the data in a more limited amount of time.

During the first two years of the project, ISU Extension staff evaluated the producer’s pastures. Soil tests were taken in the first year and fertilizer application rates were determined for Andersen’s pastureland. The Iowa Cow Herd Improvement Program Services (CHIPS) technician helped with the weighing and condition scoring of the heifers.

**Results and discussion**

The results of the three-year demonstration...
were limited because only one farmer (Gordon Andersen) participated throughout the project. The project could have been dropped after the first year, but the cooperator and the PCRED group thought it was important to continue.

The rate of gain figures for the heifers on feed during the first two years of the project were good but hot and dry weather conditions limited gains in year three. This variable weather is common in southwest Iowa and producers need to allow for these differences as they look at a business plan for this type of enterprise. Some of the people supporting the idea of the dairy heifer program were using figures from other areas that may have better summer growing conditions for pastures.

Financial records indicated that in 1999 the operation was profitable. In 2000, because of the high initial cost of the heifers ($1.33 per pound), an average selling price of $1.085 per pound, and a lower rate of gain, the venture lost money. As a result of the losses in 2000, the lone remaining producer switched to grazing beef calves on pasture in 2001.

Conclusions

The conclusions from this project are somewhat limited because (for a variety of personal and economic reasons) only one farm participated in all three years of the program. The comments from potential producers indicated that the cost of the dairy heifers and the uncertainty of the market price at the end of the development time frame discouraged them from beginning the dairy heifer program.

Based on the limited experience of the program, it is very critical that persons entering the dairy heifer program have a sound understanding of where they will be getting the animals and how they will market them. If they opt to contract feed the animals, they need to know what standards will be used when the animals are returned to the buyer and how the “culled heifers” will be handled.

Economic information on production costs was gathered from the producer’s records in 1999 and 2000, but these may not reflect costs

Question: Could farmers in southwest Iowa add to their farm income by using pasture as the primary source of feed to develop dairy heifers? 
Answer: Based on the experiences of the limited number of cooperators in the project, this is a high-risk operation with minimal financial returns to the farmer. Problems encountered were the source and price of quality dairy heifers in the spring, what type of arrangement the producer could make to market the animals at the end of the pasture growing season, and the variability of pasture production in southwest Iowa.
other producers would have. The level of profit did not meet the Andersen’s goals in 1999, but did cover their costs. In 2000 they experienced a negative financial return.

As for heifer weight gain in the program, Gordon Andersen reported good gains in years 1 and 2, but in year 3 (2000) gains were poor, perhaps because very hot, dry mid-summer weather reduced the pasture quality. Andersen used a commercial feed consultant to help map out a nutrition program for the animals. The grain and supplement fed to the heifers was about four pounds per day.

**Impact of results**

The results demonstrated that in most years dairy heifers that are grazed on pasture could show adequate growth, especially if they receive supplementary feed and protein. However, these data came primarily from one farm operation. Additional research work currently being done at the Neely-Kinyon Farm by Lee Kilmer, ISU Extension State Dairy Specialist, may supplement the project findings. The education aspects of the project may turn out to be the project’s most important contribution.

**Education and outreach**

Several public educational meetings were held during the three years of the project, particularly the Grass-Based Dairying meetings. Information about the project was presented at a Value-Added Agriculture Field Day at Shenandoah. The 1999 and 2000 issues of the Page County Extension Stakeholders Report contained information about the project. Presentations were made to four Page County service clubs about the dairy project and other value-added efforts in the area. In addition, reports about the project were presented at several Page County Rural Economic Development meetings.

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*Birt-Andersen dairy*