Contract Heifer Raising In Demand

A.J. "JUD" HEINRICHS PSU Dairy Extension UNIVERSITY PARK (Centre

Col.) — There is a growing demand and market for contract heifer-raising in the United State with recent estimates that demand is growing in the Northeast.

The U.S. Department of Agriculture's (USDA) Dairy Heifer Evaluation Project performed recently showed that on a national basis, 1.7 percent of the dairy farmers have someone else raise their heifers.

In the Northeast the average is higher, at 2.4 percent.

Many situations make contracting attractive, such as when facilities, labor, or capital become limited. Or when it is feasible to use to free up time for other endeavors.

Contract-raising of replacement heifers has a number of advantages and disadvantages for the both parties — the person needing replacements, and the person willing to raise them.

Advantages for the dairy farmer include possibly allowing a milking herd expansion by up to 25 percent or more by freeing space in existing facilities; more time to spend working with milking cows; more time working with cropping or raising a specialty crop; fewer ration calculations; and fewer animals to check for heats.

The advantages to a grower include specializing — even to a degree such as focusing on baby calves, older heifers, etc. - without having to milk cows.

Also a farmer without good facilities for Grade A milk production may find the facilities suitable for raising heifers, and thus make

some use out of them. This farmer should be sure to check buildings for ventilation, water supply and holding facilities.

It also provides an opportuity for part-time employment, which may be attractive to someone semi-retired, working off of the farm, and for those who enjoy raising cattle, but not milking.

Raising contract heifers also carries the benefit of allowing the use of home-grown grain and forages.

The disadvantages to the dairy farmer is the increased risk of introducing a disease into his milking herd; the possibility of a shortage of replacement heifers if the contract-raiser does a poor job; and the replacements could end up costing more if the time, labor, feed and facilities freed by going with contract-raising is not utilized for increased profit to the dairy

operation. Contracts must be fair to both

parties, and there are many possibilities.

One contract may contain an option-to-purchase, in which the owner sells the calf, but reserves the right to purchase it back as a spring heifer at market price.

Furthermore, contracts could be limited to a year-to-year basis to provide flexibility in establishing fees and costs that parallel the general farm economy, and to permit for the deletion of animals as conditions dictate.

The contract should also include an option for second and third years; provide provisions for terminating the contract, and a method of arbitration to settle disputes.

Farm Forum

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Supply and Demand does call the market price.

If we get into Supply management it can become a nasty thing. If we push it to the extent that the Southern States have pushed the supply management of tobacco (130% of one years total selling price) it will cost in excess of \$3,000.00 per 20,000 lb. cow for a young man to get into the dairy business. The Canadian price is up to Double and triple that price.

Of course the person who does the getting, gets quite a windfall. \$600,000.00 or in the Canadian case close to \$2,000,000.00 for a 200 cow herd.

I have not yet seen any two-tier program that is any better. For as much as it promotes the price that the incumbent farmer receives, so much it promotes the penalties a new-comer has to pay. Plus, you get the added expense of more government and more red tape. I lately saw a bumper sticker on a luxury camper. We are spending our childrens inheritance. Will we sell their freedom too.

Henry Leid East Earl



45th annual A-Day, Delaware Valley College, Doylestown, 9 a.m.-5 p.m., thru April 25 Sunday, April 25 Wissahickon Day Parade, Fairmount Park, Phila. Monday, April 26

Tuesday, April 27

Delmarva Poultry Booster banquet, Wicomico Youth and Civic Center, Salisbury, Md. Ephrata Area Young Farmers Ladies Night Program, Cloister

Restaurant, 6:30 p.m. York Co. Beekeepers meeting, extension office, 7 p.m.

Wednesday, April 28

Thursday, April 29

Berks Co. 4-H Supper Series, 6 p.m.-8:30 p.m. Home Horticultural Seminar: Perennials, The Gardening Sol-

ution, Lancaster Farm and Home Center, 7 p.m.-9:30 p.m. Friday, April 30

Saturday, May 1

State College Lion Country Pony Club Ride-A-Thon, Grange Fairgrounds.

Sunday, May 2

Monday, May 3

Home Horticulture Seminar, Espaliers: The Mystery Explained, Farm and Home Center, Lancaster, 7 p.m.-9:30 p.m. Tuesday, May 4

Wednesday, May 5

Thursday, May 6

Friday, May 7

Saturday, May 8

Hereford Breed Sale, Dairy Pavilion, New York State Fairgrounds.

Western Pa. Sheep and Club Lamb Sale. Mercer Co. 4-H Park, Mercer, 6 p.m.

Sunday, May 9

Happy Mother's Day!

Monday, May 10

Tuesday, May 11

Wednesday, May 12

Atlantic Dairy Co-op 36th Eastern Member Relations Conference, Hershey Lodge and Convention Center, thru May 14.

Thursday, May 13

Home Horticulture Seminar, Figs, Asian Persimmons, Dwarf Citrus, Kiwi and Other Unusual Edibles, Farm and Home Center, Lancaster, 7 p.m.-9:30 p.m. Ag Issues Forum, Kreider's Restaurant, Manheim, 7:30 a.m.-9 a.m.

