

Beef calf sales could help to 'future proof' your business

# Integrated supply gains



Beef from the dairy herd will not only bolster domestic supplies to meet consumer demand, but it can also provide welcome additional income for UK dairy producers. We spoke to a Nuffield scholar to find out more.

text **Rachael Porter**

**W**est Sussex-based consultant farm vet and beef producer, Rob Drysdale, has travelled the world to look at integrated beef production systems and brought what he learnt back home to devise a sustainable dairy-beef supply chain of his own.

And this Nuffield scholar is certainly passionate about beef from the dairy herd. He's now building up to running 3,000-plus head of beef cattle and, so far, the figures are stacking up for him,

his business partners and the dairy producers who are supplying bull calves for them to rear for beef.

His Nuffield study, which he began back in 2014 and was the catalyst for this career 'shift', set out to answer the question: can you 'chickenise' dairy beef? "With a contracting suckler herd and more than 55% of beef consumed in the UK coming from the dairy herd, I set out to look more closely at where beef will come from in the future," says

Mr Drysdale. "Dairy beef is sustainable in terms of carbon footprint – every cow should have a calf each year to maximise milk production efficiency.

"But calf rearing and production of beef that is both efficient and profitable has been a challenge to UK farmers, so I looked at what's happening in the rest of the world in a bid to find out what would work best here in the UK, if we're going to meet demand with domestic supply."

## **Sustainable beef**

Each year there are more than 1.8 million dairy calvings in the UK. From New Zealand to Estonia, integrated systems exist that take some of the calves, seen as a by-product of the dairy industry, and convert these into consistent, ethical and high-quality beef. "But the perceived cost of production is a major blocker for UK producers. Time and again, meetings within the UK showed few beef producers





Steffan Richards (right) and Lorna Campbell changed their replacement rearing policy

knew the actual cost to produce each kilogramme of beef sold off their unit. “Yet, outside the UK, all the beef producers I spoke to knew their cost of production and integrated producers often knew what the minimum futures price would be for their beef.”

He says that UK dairy producers see cross-bred beef calves as a valuable income stream, expecting a high price from calf rearers. “But buying these crossbred dairy calves at the wrong price, within a protracted production cycle, could mean considerable losses for the rearers.

### Integrated chain

For this reason, Mr Drysdale says that it’s very much about developing an integrated chain – dairy producers who supply both black-and-white bull calves and cross-bred calves to rearers and

finishers who have a ready market for their product. “Key is to find a customer and then ‘build the beef’ that they want.” And an attraction for customers or buyers is that they know this is British beef – they know where it’s come from. “They know it’s origin.”

With this in mind, he’s been integral in setting up a scheme that will rear calves. He’s looking for a supply from producers, from right across the UK. This time next year, working with John Allton-Jones and his supply company Origin Beef, Mr Drysdale will be looking to supply customers with 200 head of finished beef cattle each week. “We’re building regional hubs – in Wales, the Midlands, the south west and the south east. And these will take calves, preferably in batches of 60.”

He suggests that dairy producers might look at using more beef or dual-purpose sires on lower end cows. “Two-week-old black-and-white bull calves sell for between £50 and £100 per head. Use a beef bull or a dual-purpose sire and you’re looking at £150 plus. Use Aberdeen Angus or Belgian Blue semen, perhaps on the lower genetic merit cows in your herd, and you could be pocketing £200 per head. For a 150-cow herd, you’re certainly looking at an additional income of between £10,000 and £20,000 per year, depending on the type of calves you sell.”

### Additional income

These figures worked their magic on Carmarthen-based producer Howell Richards. He runs a 2,400-cow herd, plus young stock, in partnership with his wife Susan, son Steffan and Steffan’s girlfriend Lorna Campbell. And they’ve been closed down with TB for the past 10 years. “We calve all year round and we were a flying herd – everything was put to a beef sire. But once the TB restrictions were in place, we couldn’t buy in replacements, so we had to rear our own,” explains Mr Richards.

All cows and heifers were served with Friesian sires and, for a period of between 18 months and two years about 1,400 head of bull calves had absolutely no value. “That wasn’t sustainable and that’s when Steffan began to think about a different way of rearing replacements for the herd.”

They worked out that they needed to produce 60 replacements per month: “But we were calving 200 head – roughly 100 heifers and 100 bulls. We only needed 60 heifer calves. So now all heifers are served with sexed semen and all cows



Rob Drysdale: “This is British beef – buyers know where it comes from”

with beef semen. The aim is to sell the resulting beef-cross calves to units that are licenced to take and rear cattle from TB restricted units,” says Mr Richards. He estimates that they’re selling at least 120 beef-cross calves each month, at around three weeks old: “And we’ve gone from making no money – or indeed losing money because we didn’t even cover the cost of semen – to securing an income of between £15,000 and £20,000 per month.”

### Rearing costs

The extra and ‘steady’ cashflow is a boon to the business. But what really saves money is rearing fewer heifers. Estimates put the cost of rearing a heifer at anywhere between £1,500 and £2,000. “We’re rearing 400 fewer heifers each year. So that’s where the real cost saving is – we’re not spending money rearing more heifers than we need. And it’s helped to take some of the pressure off our buildings and stocking rate.”

The unit now has planning permission to erect some calf rearing buildings, one for calves up to three weeks old and one for calves up to two months old.

“We’ve taken some guidance from Mr Drysdale on how to set out the sheds and how to group and manage the calves. And this will lower our stocking rate a little more.”

He’s doubtful that TB restrictions will lift anytime soon, so he’s taking steps to mitigate the impact that they are having on his herd and business. “We’ve had one six-month period. It’s almost become normal for us to run the herd under restrictions, because it’s been going on so long. We’ve learnt to adapt and survive. And selling calves is a key part of our strategy.”

Rob Drysdale sees great potential for Origin Beef as a nationwide scheme and a brand. “Producers need to do the sums – work out how many replacements they really need to rear and add some value to their beef calves – if they want to benefit from this sort of integrated system.” |