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## JULY 2024 DAIRY NEWSLETTER

### LOOKING AHEAD – Where are your replacements coming from?

“Have you heard the prices we’re getting for Holstein-cross beef calves and Holstein bull calves?” is a question we hear regularly. Unprecedented prices hitting >\$1,000 per calf create a revenue stream that’s not previously been available. These exciting prices also have producers ensuring their newborn calf procedures are optimized to promote low morbidity/mortality.

#### HOWEVER

We anticipate in the very near future hearing the question “have you heard how much I had to pay for a fresh cow? The prices are so high!”.

There’s a number of factors that lead the industry in this direction, we’ll cover the two main ones below.

First, one Canadian semen company states that, depending on where you are in Canada, 25-45% of their semen sales are beef semen going into dairy animals. More beef semen = less dairy replacements being produced.

Secondly, Stats Canada states that as of January 1, 2024 the total number of cattle in Canada was at it’s lowest number since January 1, 1989. This is due to a number of influences varying by region across the country including:

- the high value of animals spurring increased sales (including the cull-cow market),
- drought conditions leading to decreased feed availability and resulting sale/slaughter of replacement animals, and
- low numbers of animals available to enter beef feedlots for the same reasons listed above resulting in dairy replacement heifers changing careers and moving into beef feedlots.

The two factors above beg the question – **where are dairy replacements going to come from?**

We are already seeing fresh Holstein cows selling for over \$4500 at OLEX, yet cattle numbers are still dropping. So, we need to plan ahead. Here are a few options you could implement today that will pay dividends in the future:

- 1) Consider a change in your semen selection. Has the pendulum swung too far to using beef semen? You might consider breeding more animals to Holstein sexed semen. This would result in more females to choose from to enter your lactating string or to sell as replacements to others.

However, making this decision relies on:

- How much room you have for calves, heifers, far-off, and close-up housing,
- Feed quantities, and
- Feed storage areas.

We predict that dairy replacement sales will be quite lucrative in the near future and will justify the expense of rearing additional replacements, if this is an option at your farm.

- 2) Keep cows around that would normally be culled? This might be hard to do with cull prices as enticing as they are! Would you consider breeding that potential cull cow back to hopefully get another lactation? This would depend on the reason why that cow was considered for the cull list. 2023 data in Canada illustrates an almost 40% cull rate (voluntary + involuntary) on Canadian dairies. That means, for every 100 cows on a

dairy, you'd need 40+ new lactating animals per year to fill this void and to account for any additional growth. Therefore, it may be worth considering breeding specific cull list candidates to try to get another lactation with them so that you don't find yourself in a position where you need to purchase an expensive replacement.

- 3) Checking lactating (and soon-to-be lactating) animal inventory and monitoring for slugs or lack of calvings and managing according to predicted production requirement (including incentive days) will become even more important. Keeping cull cows around longer can temporarily help when needed, as long as overcrowding does not become an issue.

The factors above are just a few suggestions of things to consider based on the trends we're currently seeing in the industry.

### **PREGNANCIES DURING HEAT STRESS**

Did you know – pregnancy rates using embryos transfer are HIGHER than AI in heat stressed animals?

The reason: with embryos – we already know that conception has occurred, so you know you're putting a fertilized embryo into that animal, taking out 1 crucial step that is still needed in heat-stressed animals with AI

A large study in Texas during heat stress months showed almost **double the pregnancy rate post embryo implant versus AI.**

Contact us today to help you continue to make pregnancies during the upcoming heat stress months!

We have 3 sources of embryos:

- 1) Make your own embryos using selected animals on your farm
- 2) Purchase embryos already produced from other producers in sales, through word-of-mouth, or by contacting us and we can put you in touch with the owners of embryos we have stored for them in our inventory
- 3) Purchase beef embryos from us that we already have in inventory at \$100/embryo

### **PRODUCT SALE**

### **Solveal**

**50% off (\$199/pail or \$38 for a bag of 24)  
Product expires September 19<sup>th</sup>, 2024**

*Available while supplies last*