

Dairy Herd Management

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Can You Afford Today's High-Priced Heifers?

Does it make financial sense to purchase dairy replacement heifers in today's white-hot market?

MAUREEN HANSON · March 04, 2025 08:50 AM



dairy heifers (Maureen Hanson)

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Maybe. Or maybe not, according to a pair of University of Florida Dairy Extension Specialists.

Albert de Vries and Russ Giesy developed a spreadsheet [available [here](#)] more than 20 years ago to help individual dairies determine how much they could afford to spend on replacement heifers.

The handy tool was developed specifically for dairies with vacant spots that could be filled with new heifers to maximize herd capacity – but not as a method to decide whether to replace a cow with a heifer. It also does not take tax considerations into account.

Values for receipts and revenues in the initial spreadsheet examples were based on the Dairy Business Analysis Project, compiling results from an annual survey of the financials from dairy farms in Florida and Georgia.

When the spreadsheet was developed, replacement heifers were trading at \$1,000-2,000/head compared to today's market of \$3,000-4,000 head. But calf values – a part of the calculation matrix – also were hovering around \$100/head then. That's up to 10 times less than today's calf prices. Cull cow prices – another factor built into the formula – were also considerably lower than today.

The spreadsheet also offers alternative results based on changes in expenses and milk yield compared to a herd's base calculation. The authors noted that whether expenses are fixed or variable can dramatically change the maximum worth of a heifer.

In some cases, for example, labor could be entered at \$0, because fixed labor needs would not change appreciably with the addition of one or a modest number of heifers.



The spreadsheet's value lies in that it calculates results based on individual herd data, which can vary significantly. But plugging in experimental values in line with today's overall market and production conditions shows that \$4,000 replacement heifers could be a realistic investment for many herds.

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