

Veal production - *a possible alternative enterprise*

By W.M. Odegaard, R.L. Degner and J.D. Locasio*

Florida is a major dairy state, with herds concentrated in the Okeechobee, Tampa, Mayo and Jacksonville areas. Veal production, as a by-product of the dairy industry, may offer a profitable alternative to some farmers. The state produces approximately 89,000 dairy bull calves which could possibly be utilized for veal production.

Recently a study was completed by members of the Lafayette County Extension Service and the IFAS Food and Resource Economics Department which examined the potential profitability of fancy, milk-fed veal production in Florida. The study identified typical production practices in other states, and cost and returns associated with veal feeding.

Presently, only a few producers are operating in Florida. A majority of the dairy bull calves are shipped out-of-state to veal producers, or slaughtered as newborn calves. Current findings indicate that an adequate supply of calves exists to operate numerous veal barns on a full -time, annual basis.

General production practices

Considerable uniformity exists over the U.S. with respect to production practices. Calves are put into small, individual stalls or "crates" and tethered to restrict movement to prevent injury. This also increases feeding efficiency, and allows closer scrutiny of the progress and health of individual calves. The crates are usually elevated off the floor of the barn to accommodate cleaning. The calves are fed a liquid milk-replacer ration, delivered to their individual crates in buckets or through an automated delivery system. Calves remain in their crates during the entire feeding period.

Most veal feeders select Holstein baby calves that are 3 to 5 days old, weighing 85 to 100 pounds. Larger calves are preferred, because experience has shown that they have less mortality and generally perform better. Growers strive for uniform ages and weights to minimize feeding problems and labor requirements.

Calves are usually fed from 14 to 17 weeks, with 16 to 17 weeks being the most prevalent. Thus, most veal feeders

can feed three barns ("turns") of calves per year. This feeding period results in calves being sent to slaughter at 350 to 380 pounds. The typical dressing

percentage is 70 percent-resulting in carcasses ranging from 245 to 265 pounds, hide-on.

The meat of fancy veal carcasses must be extremely light in color, a grayish pink, very smooth and velvety in texture. Dark red-tinged, "off-grade" carcasses bring reduced prices. The meat is kept light in color by severely restricting the calves iron intake. This feeding practice makes calves more susceptible to health problems. Thus, growers must be keenly attuned to the condition of the calves to keep health problems to a minimum.

The barn

A typical veal barn is 28 feet wide and 126 feet long, including a 20 by 28-foot feed mixing and storage room. Crates are placed in two parallel rows. The floor is a concrete slab, with gutter at the rear of the crates to facilitate waste removal.

Strict precautions must be taken to restrict the calves' intake of iron. Iron sufficient to downgrade carcasses is readily available from dirt floors, metal water pipes, crate nails, etc. Thus, preferred construction materials are concrete, wood and plastic.

continued on page 26

Veal production...

continued from page 24

Grades and price

The United States Department of Agriculture has established official grades for veal. They are "prime," "choice," "good," "standard" and "utility." However, most veal is graded according to criteria established by packers.

Most have established a simplified system that generally consists of three basic grades: "No. 1, regular," "No.1, downgrade," or "red veal". The criteria for each packinghouse may be slightly different; thus these grades are known in the trade as "house" or "plant" grades.

Veal calves need to be slaughtered at a state-inspected facility to be sold in Florida, and there are a number within the state that may slaughter veal calves in a custom, per-head basis. In order for veal carcasses to be sold outside the state of origin, calves must be slaughtered at a federally-inspected processing plant

Growers are usually paid for their calves on the basis of hot-carcass weight, that is, immediately after slaughter. The hide is left on to protect the carcass during transit to its final destination. Prices for hot-carcass, hide-on No. 1 veal carcasses

have been around \$1.60 per pound. A range of \$1.50 to \$1.70 was assumed for the following financial analysis.

Cost and returns

The basic production unit is a 108-head capacity farm, which produces three groups of calves per year, for a total of

324 head. the cost of a new veal barn and all equipment is about \$38,000. Cash cost, which includes calves, feed, veterinary bills, medicine, utilities, repairs, supplies, labor, transportation of calves to market, and interest amount to \$33,000 per barn of calves, or nearly \$100,000 per year.

Net returns after deducting cash costs, are about \$12,600 per year. After deducting debt payments on the barn and equipment, net returns to management are approximately \$6,900 per year.

Hypothetically, the state produces enough bull calves to stock an estimated 200 (plus) veal barns (108 head) on a full-time, annual basis. Prospective growers should carefully examine the equipment and other costs, particularly feed and labor.

Veal production is not a "get rich quick" business. Net returns to management are modest, assuming prevailing 1987 input costs and veal prices. A critical element on the formula for success is controlling calf mortality.



* Lafayette County extension director, and IFAS faculty members associated with the Florida Agricultural Market Research Center, respectively.