



Photo: S. Bandura

Beef from dairy: Expanding pathways for non-replacement calves

2026

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Current situation

What to do with non-replacement or surplus dairy calves has always been a challenge. As average farm size has grown, so has the complexity of this issue. Returns from rearing surplus calves can be highly variable, as they are influenced by both beef market conditions and milk prices.

The Australian Calfways and Tas Calfways action plan is to have all viable surplus calves entering a valued market by 2035. This will bring an end to routine on-farm euthanasia of viable calves.

Whilst this move is a positive for the social licence of dairy farming, it does raise the question: *what can we do with all these calves?*



Coming sooner than 2035?

Fonterra New Zealand banned routine on-farm euthanasia in 2023, requiring all calves to enter valued market streams.

While 2035 is the current industry ambition in Australia, this is not a regulatory requirement.

Changing market, processor, and community expectations suggest progress may occur sooner. Having a plan in place will put your business ahead of the curve.

Key takeaways

- Aim for all viable calves to enter valued markets by 2035.
- Routine on-farm euthanasia of healthy calves will be phased out.
- Practical, viable systems can take time to establish – plan early.
- Beef is a volatile market, and margins can be tight – play the long game.
- Every farm is different – choose a system that suits your business.
- Bobby calves remain a valid market pathway.

Where to start?

A decision around dairy beef should start at the finished animal, not the calf. Identifying your target market first will determine the investments required, as well as the genetics you need to select for to meet that market specification.

Playing the long game

Beef is a commodity, and income from calf sales will depend on annual fluctuations in milk prices, beef prices, and seasonal conditions. As such taking a long-term view can help smooth out these fluctuations and support more consistent returns over time.



Photo: M. Verdon

Pathways for surplus calves in Tasmania

The pathway calves follow depends on farm management decisions and business goals, with each option having different requirements for system set up, animal performance, and genetics.

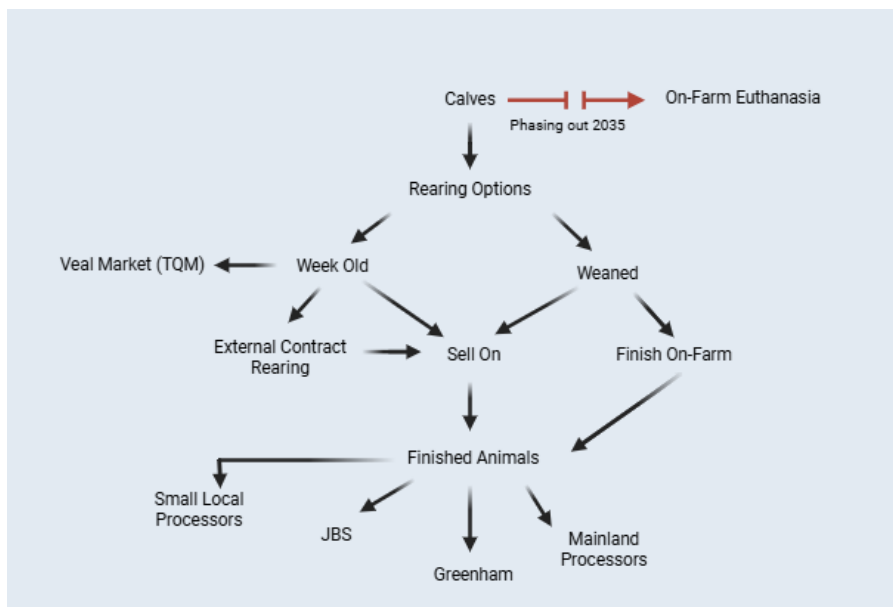


Photo: J. Hargreaves

Spotlight: existing markets

Greenham Dairy Beef Program (GDBP)

- Pathway into premium beef products
- Incentivises use of quality beef genetics
- Offers price premiums for calves meeting specifications.

Selling to Processors

- Simpler pathway with fewer requirements
- Must be pre-registered before mating
- More flexibility in genetics
- Require specific rearing conditions
- Returns may be lower and less consistent than premium programs.

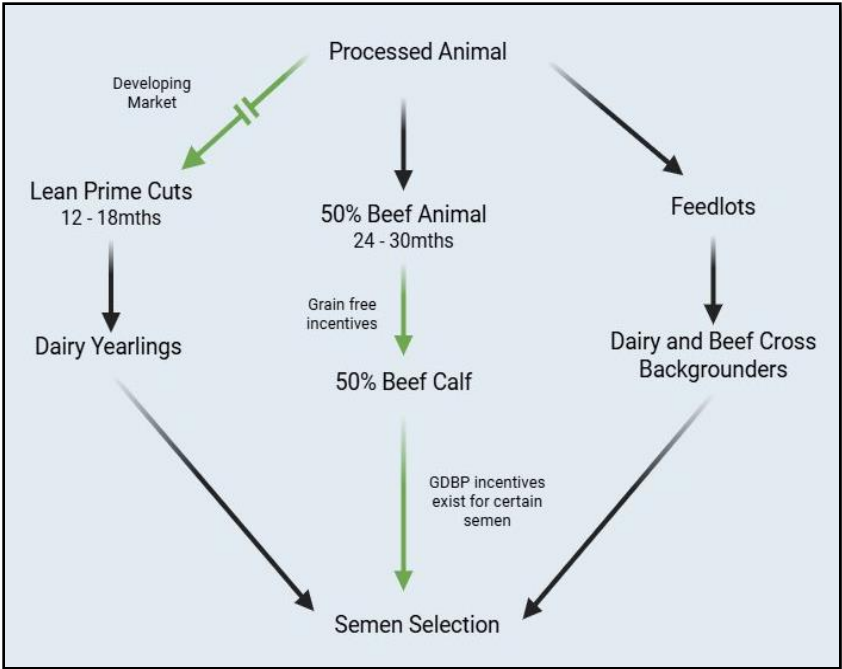


Step 1: Choose your market

As an island state, Tasmania faces several challenges for dairy-origin beef, including limited processors, large-scale rearing facilities, and a highly seasonal supply of calves.

These factors can impact demand and lower calf value.

Understanding market options, and producing animals to meet those specifications, can improve sale outcomes and returns.



Start with your target market (top), then work backwards to determine animal type, production system, and genetics.

Understand Emerging Drivers

Livestock emissions

Greenhouse gas (GHG) emissions are becoming increasingly important to industry and the wider community. Methane-reducing technologies are being developed, but they are not silver bullets and are not widely available.

Improving on-farm efficiency remains the most effective way to reduce emissions.

The Dairy advantage

Dairy-origin animals can have a lower starting emissions footprint than traditional beef systems. Most emissions from a dairy cow are attributed to milk production, meaning only a small proportion is allocated to her calf.

This advantage depends on finishing efficiency - if animals reach market weight quickly, the benefit is maintained.

Spotlight: Yearling beef

Finishing animals younger can reduce feed, land and lifetime emissions. However, finishing animals earlier requires careful management to ensure growth targets are met and welfare outcomes are maintained.

This pathway is still developing and may require refinement to ensure it delivers consistent outcomes for both producers and animals.

On farm considerations

As the industry moves away from routine on-farm euthanasia, all viable calves will need to be managed through a viable market pathway. This will increase the level of planning, labour, and infrastructure required on farm.

Regardless of the pathway chosen, success will depend on setting systems up early to manage calves efficiently, and to meet market specifications.

Genetics

Genetics underpin calf value and overall performance

Selecting the right semen can:

- Improve growth and efficiency
- Reduce calving difficulty
- Reduce time on farm
- Increase access to premium markets

Dairy farmers set the genetic foundation through sire selection. Selecting genetics that suit both your business and the potential market.

Dairy businesses need:

- High semen fertility
- High direct calving ease

Beef businesses need:

- High growth rates (200d and 400d)
- Carcass weight
- Eye muscle area

Using an index like the Angus Australia Dairy Beef index takes these into consideration.

Early life nutrition

Optimising nutrition, particularly during the milk feeding phase, is key to dairy-origin beef animals achieving their genetic potential.

Key points to consider are:

- Early-life nutrition influences long-term growth rates and finishing performance
- Higher growth rates early in life can reduce time to target weights
- Improving feed efficiency is increasingly important
- Follow the 4 Q's of colostrum: *Quickly, Quality, Quantity and sQueaky clean*

System setup

Setting up your farm appropriately contributes to calf success. Looking into shed space, feeding equipment and labour demands is just as important.

Shed space:

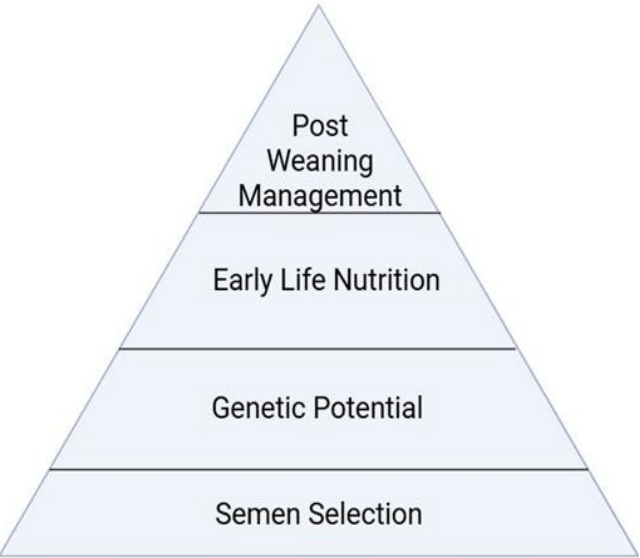
- Allow at least 1.5 m² per calf (more space helps reduce disease pressure).
- Plan for calving spread to estimate calf numbers and time on farm.
- Minimise pen to pen contact to reduce disease transmission.

Feeding Equipment:

Do you have sufficient equipment to manage increased calf numbers?

Labour:

- Labour demands will increase, particularly during peak calving.
- Plan ahead for additional staff if needed.



Semen selection underpins life-time performance potential



Dairy beef calves at TDRF Photo J. Hamer

Final thoughts

There is no one-size-fits-all solution to the surplus calf challenge in Tasmania. Limited processor capacity and a highly seasonal calving pattern present ongoing challenges for the development of viable market pathways.

Overcoming these challenges requires a coordinated effort across the supply chain. Processors play a key role in developing end markets, while dairy farmers contribute by supplying calves that are healthy, well-grown, and aligned with market specifications. Consistency in quality, supported by appropriate genetics and early-life management, will be critical to building and maintaining market demand.

Some of the pathways outlined in this fact sheet are still developing and not yet widely adopted. Exploring different approaches will be necessary to identify systems that align with individual farm businesses.

Further reading:

CalfWays MLA/DA program: www.mla.com.au/research-and-development/animal-health-welfare-and-biosecurity/calfways

CalfWays Tasmanian Action Plan: www.tasfarmers.com.au/Web/Web/advocacy-policy/policies-entries/CalfWays%20Tasmanian%20Action%20Plan.aspx

MLA transporting bobby calves, MLA fit to load guidelines: www.mla.com.au/extension-training-and-tools/resource-hubs/transport-hub

Greenham's Dairy beef program: www.greenham.com.au/our-dairy-beef-program

Rearing healthy calves: www.dairyaustralia.com.au/animals/calf-rearing/managing-calf-health/resource

