

SAMPLE CUSTOM PASTURE AGREEMENT

INTRODUCTION

Agreements on Custom Pasture and Custom Cattle Feeding should have these features included: fees for pasturing or feeding, services to be provided by the feeder, the delivery of the cattle, and the rights and responsibilities of both parties as they pertain to the agreement.

A. Considerations

- Livestock owners can access custom grazing and feeding expertise while feeders can manage risk with livestock ownership.
- The agreement does not transfer ownership.
- Farmers have increased flexibility in farm planning decisions.
- Farmers can expand production without financing livestock purchases.

B. Features of Successful Agreements

- The owner and the feeder should be open and honest with each other, and be able to resolve disagreements cordially.
- To maximize long term profit, the terms of the agreement should be fair to both the owner of the animals and the feeder, and force them to think through an equitable and reasonable agreement.
- The issues of pricing payment and liability should be in place to protect the owner and the feeder.
- Agreements should be flexible enough to permit fair adjustments to any unexpected situations.
- An agreement should be adapted to suit each individual situation, yet remain simple enough to work.

STEPS IN COMPLETING AN AGREEMENT

1. Consult with your farm management advisor and lawyer.
2. Study and compare the examples and sample agreement forms provided by Manitoba Agriculture. It will assist you in determining the type of agreement that will best suit the needs of both the owner and the feeder. Remember, the type of agreement you choose must be adapted for each individual situation.
3. Determine an equitable agreement by studying the example.
4. READ AND DISCUSS the agreement with the prospective owner and feeder and make changes where desired. Some clauses include a choice of terms. Select the terms that suit your situation. Delete term(s) which do not apply by drawing a line through them and have the parties to the agreement initial the deletion(s). If the terms do not suit your situation, write out the terms that meet your particular needs. **Wording is important, so it is advisable to consult a lawyer.**

Important terms in all agreements requiring careful attention by an owner and feeder include:

- feeder fees and pasturing and breeding charges
- services to be provided by the feeder including quality and quantity of feed, delivery of the cattle and transportation costs

- responsibility for processing costs, branding, dehorning, castrations, medications, vaccinations, etc.
 - the right to inspect cattle at any time by the owner
 - insurance costs and the responsibility for death loss
 - rights and responsibilities for quarantine and destruction orders during the agreement
 - arbitration
5. The owner(s) and feeder(s) should each receive one copy of the agreement, with any required supplementary forms attached.
 6. Provision should be made on the agreement forms for signatures of joint owners.

7. Complete the Affidavit of Execution

When all parties have signed a custom grazing/feeder agreement, it is final and binding. If the signatures are witnessed and the witness completes the affidavit of execution, it is not necessary at a later date to prove the signatures.

Notice to Reader: This information is general in nature and is intended as a guide only. Interpretation and utilization of this information is the responsibility of the user. No liability for decisions based on this publication is assumed. For application to a specific situation, a professional in the industry should be consulted.

SAMPLE CUSTOM PASTURE AGREEMENT

THIS AGREEMENT made in duplicate this _____ day of _____, 20____.

BETWEEN:

(Owner's name)

of _____
in the Province of Manitoba,
(address)

(the "Owner")

- and -

(Feeder's name)

of _____
in the Province of Manitoba,
(address)

(the "Feeder")

WHEREAS the Owner of the animals described in Schedule "A", (the "Cattle") including any offspring or produce therefrom, has placed them in the possession of the Feeder for the sole purpose of rendering the services and labour described herein;

AND WHEREAS the Feeder is willing to receive possession of the Cattle, from time to time, pursuant to this Agreement, for the sole purpose of rendering the services and labour specified in this Agreement;

NOW THIS AGREEMENT WITNESSETH that in consideration of the mutual agreements and undertakings herein, the parties hereto covenant and agree with each other as follows:

DISCLAIMER

This sample agreement is designed for informational purposes only and is not intended or implied to be a substitute for professional or legal advice. Users of this sample agreement should consult with their professional and legal advisors to determine the appropriateness of this sample agreement for their own situation.

The Manitoba government and its ministers, officers, employees and agents make no representations, expressed or implied, as to the accuracy, adequacy, completeness or reliability of this sample agreement. This sample agreement may be changed or updated without notice. The Manitoba government and its ministers, officers, employees and agents will not be liable to any person, organization or entity for any damages of any kind, which may arise from use of this sample agreement.

SECTION 1.00 TERM OF AGREEMENT

1.01 The Owner will deliver the Cattle to the Pasture, no earlier than _____, 20____. The Cattle shall be removed from the Pasture, no later than _____, 20____ (the "Term").

SECTION 2.00 PASTURING AND BREEDING CHARGES

2.01 The charge for pasturing of the Cattle for the duration of the Term is as follows:

(a) _____ per day per animal; and

(b) _____ per season per calf.

2.02 The charge for breeding shall be \$_____ per cow or heifer.

2.03 The Owner will pay, at the time of signing this Agreement, a deposit of \$_____ per animal, in total \$_____ (the "Deposit") which will be held by the Feeder and applied against the final invoice at the end of the Term. The Deposit will be forfeited to the Feeder if the Agreement is terminated by the Owner less than 30 days prior to the commencement of the Term.

2.04 The balance owing to the Feeder for pasturing and breeding, will be determined at the end of the Term or termination of this Agreement, whichever comes first, and all outstanding charges are due in full, prior to the release of the Cattle to the Owner.

2.05 There will be no additional charges, beyond the Deposit, for any Cattle that die during the Term of this Agreement.

SECTION 3.00 BREEDING BULLS

3.01 All bulls used for breeding shall be vaccinated in accordance with the recommendations of the Veterinarian, at the owner's cost. Furthermore, the owner of the bulls shall provide evidence of a breeding soundness evaluation, conducted by the Veterinarian, indicating that the bull(s) to be used for breeding are sound. The cost of all such tests and procedures are the responsibility of the owner of the bulls.

SECTION 4.00 SERVICES PROVIDED BY THE FEEDER

4.01 The Feeder will feed and maintain the Cattle set forth on the attached Schedule "A" at the Pasture for the Term of this Agreement.

4.02 In the event that, in the Owner's sole discretion, the Pasture is providing insufficient feed for the Cattle, the Feeder shall provide the additional Feed necessary to meet the nutritional demands of the Cattle at the Feeder's cost.

4.03 The Feeder shall keep the Pasture in a condition that is satisfactory and safe for the purposes of keeping cattle, including keeping all fences surrounding the Pasture in good repair.

4.04 The Feeder will be responsible for the cost of providing salt and minerals for the Cattle,

and further, shall ensure that salt and minerals are available to the Cattle at all times during the Term.

- 4.05 The Feeder will monitor and obtain treatment for any Cattle that are ill or injured and inform the Owner of any sick or injured Cattle under the Feeder's care.

SECTION 5.00 DELIVERY OF CATTLE

- 5.01 The Owner is under no obligation to deliver, and the Feeder is under no obligation to accept, any Cattle, except as agreed to between them from time to time, and the Feeder specifically reserves the right to refuse to accept individual animals due to disease or poor health.
- 5.02 Each shipment of Cattle delivered to the Premises, and accepted by the Feeder pursuant to this Agreement, shall be acknowledged by the execution and delivery of an "Acknowledgement" in the form of Schedule "B".
- 5.03 The Owner of the Cattle is responsible for _____% of the cost of transporting the Cattle to and from the Premises. *(If less than 100%, provision should be made for how the cost is to be shared)*
- 5.04 Upon delivery to the Premises, the Cattle must have National ID ear tags with a record of the Owner's registry.

SECTION 6.00 OWNER'S OBLIGATIONS

- 6.01 The Owner will deliver _____ Cows, _____ Calves, _____ Heifers and _____ Bulls, in total _____ animals, (the "Cattle") to the Feeder for pasturing at _____, (the "Pasture").
- 6.02 The Owner shall ensure that all Cattle delivered to the Feeder's Pasture are branded and tagged for identification.
- 6.03 The Owner will ensure that all Cattle are vaccinated in accordance with the recommendations of the attendant veterinarian, or the recommendations of a veterinarian mutually agreed to by the parties (the "Veterinarian").
- 6.04 The Owner is responsible for the cost of any veterinary services (including veterinary transportation costs) and medicines or treatments provided to the Cattle during the Term.

SECTION 7.00 RIGHT TO INSPECT THE CATTLE

- 7.01 The Owner will have the right to inspect the Cattle at any time, without notice and without interference by the Feeder.

SECTION 8.00 INSURANCE AND DEATH LOSS

- 8.01 The Owner shall provide insurance for the Cattle and shall be responsible for the first _____% of the death loss.

- 8.02 Death loss between ____ and ____% shall be split 50-50 between the Owner and the Feeder.
- 8.03 The Feeder will be responsible for all death loss over ____% and compensation is to be based on the value of the Cattle at the time of delivery to the Premises, with the Feeder forfeiting all outstanding monthly Feeding Costs on the animal(s).

SECTION 9.00 QUARANTINE AND DESTRUCTION ORDERS

- 9.01 The Owner agrees and acknowledges that the Feeder has taken all reasonable and necessary precautions to ensure the health of the Cattle. In the event of a quarantine order or destruction order, the Owner agrees to release the Feeder from any claim or liability for any loss or damage that the Owner may suffer arising from the Feeder carrying out or complying with the terms of any such order.
- 9.02 In the event that the Owner's Cattle are subject to a destruction order during the Term of this Agreement, the Owner shall be responsible for all outstanding costs incurred pursuant to the within Agreement, and shall in addition be responsible for all costs incurred by the Feeder in carrying out the destruction order against the Cattle.
- 9.03 The Owner agrees, in the event of a quarantine order or destruction order as set forth above, to assign to the Feeder an ____% interest in the Owner's insurance or government compensation payments, if any, to a maximum of the balance of the Owner's outstanding charges to the Feeder.

SECTION 10.00 TERMINATION

- 10.01 The Owner or the Feeder may terminate this Agreement at any time by giving ____ days written notice in writing to the other party.
- 10.02 In addition to its rights available under section 10.01 and without restricting any other remedies available, the Owner may, at its sole option, immediately terminate this Agreement in writing if:
- (a) in the opinion of the Owner, the services provided by the Feeder are unsatisfactory, inadequate, or are improperly performed; or
 - (b) in the opinion of the Owner, the Feeder has failed to comply with any term or condition of this Agreement; or
 - (c) the Feeder is dissolved or becomes bankrupt or insolvent.
- 10.03 Upon termination of this Agreement, the Feeder shall cease to perform any further services. The Owner shall be under no other obligation to the Feeder other than to pay any outstanding amounts as the Feeder is entitled to receive for work completed to the satisfaction of the Owner up to the date of termination.

SECTION 11.00 ARBITRATION

- 11.01 Any disagreement that may arise between the Owner and the Feeder may be submitted to arbitration in the event a mutually satisfactory settlement cannot be reached. The

arbitration authority may either be a single person, mutually satisfactory to both parties, or a board of three, one member to be proposed by each party and a third selected by the two as chosen. The recommendation of the arbitrator or arbitration board shall be accepted as final. The cost of arbitration shall be split 50/50 between the Owner and the Feeder.

SECTION 12.00 GENERAL

- 12.01 Time shall be of the essence of this Agreement.
- 12.02 This document and the attached Schedule "A" contain the entire agreement between the parties. There are no undertakings, representations or promises express or implied, other than those contained in this Agreement.
- 12.03 No amendment or change to, or modification of this Agreement shall be valid unless it is in writing and signed by both parties, and specifically states the intention to affect this Agreement.
- 12.04 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba.
- 12.05 This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, successors and assigns.
- 12.06 Neither party hereto shall pledge the credit of the other party hereto for any purpose whatsoever without the consent of the other party. Neither party shall be responsible or liable for damages caused by the other party.
- 12.07 Nothing in this Agreement shall constitute a joint venture or the Feeder as an agent, representative, partner, or employee of the Owner. Neither party shall have the right or power to bind or obligate the other in any way, manner, or thing whatsoever nor represent to anyone a right to do so.

The Parties to this Custom Pasture Agreement do hereby accept this Agreement subject to the conditions, restrictions and covenants set forth.

SIGNED, SEALED, AND DELIVERED

in the presence of:

(Witness)

(Owner)

Where the Owner is a corporation

(Corporation's Name) ^(c/s)

Per:

(Name of Signatory)

SIGNED, SEALED, AND DELIVERED

in the presence of:

(Witness)

(Feeder)

Where the Feeder is a Corporation

(Corporation's Name) ^(c/s)

Per:

(Name of Signatory)

SCHEDULE "B"

Acknowledgement

The undersigned hereby acknowledges receipt of the Cattle and Supplies from _____ which shall be governed by the Agreement dated _____, 20__ made between the undersigned and _____.

Description of Cattle

(see Schedule "A" if completed, otherwise insert required information)

Services

(insert required information)

(Feeder)

Dated this _____ day of _____, 20__.

For more information, contact your local [Manitoba Agriculture Farm Management Specialist](#) or [Manitoba Agriculture Office](#)