

SAMPLE CUSTOM CATTLE FEEDING 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 a 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 CATTLE FEEDING 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 any such 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 This Agreement comes into effect on _____ and shall continue for a minimum period of _____ days and a maximum period of _____ days, (the "Term") under the terms and conditions of this Agreement, unless terminated pursuant to Section 10.00.

SECTION 2.00 FEEDER'S FEES

2.01 The Owner will pay the Feeder the following Custom Charges:

Processing Fee	\$ per animal	_____
Yardage	\$ per animal per day	_____
Bedding Costs	\$ per animal per day	_____
Feeding Costs	\$ per pound of gain	_____
	OR	
	\$ per pound of feed	_____
	OR	
	\$ per animal per day	_____
Medicine and Vet	\$ per animal	_____ (at cost)
Pasture Costs	\$ per animal per day	_____
	OR	
	\$ per animal for the season	_____
Calving Cost	\$ per live calf	_____
Other Costs (list)	_____	_____
	_____	_____

2.02 The Owner shall pay an initial deposit of \$_____ per animal which will be held by the Feeder and applied against the final invoice.

2.03 The Feeder shall invoice the Owner at the end of every month and payment of the invoice is due within 15 days of invoicing. Any unpaid balances after the 15th of each month will be charged overdue interest at the rate of _____ % per month.

2.04 Any balances of the Custom Charges under the Agreement are determined at the time of termination of this Agreement and all outstanding charges are due in full prior to the release of the Cattle to the Owner.

SECTION 3.00 SERVICES TO BE PROVIDED BY THE FEEDER

3.01 The Feeder agrees to feed and maintain the Cattle (the "Services").

3.02 All feed and medication, (the "Supplies"), required for the proper care of the Cattle during the Term shall be provided by the Feeder.

3.03 The Feeder agrees to hold the Cattle in its possession, at _____ (the "Premises"), for the sole purpose of performing the Services.

3.04 All Cattle, as identified on the attached Schedule "A", shall be segregated by the Feeder from any other animals of a comparable nature, to enable quick and easy identification of the Cattle governed by this Agreement.

SECTION 4.00 FEEDER'S OBLIGATIONS

- 4.01 The Feeder shall not remove the Cattle from the Premises without the consent, in writing, of the Owner.
- 4.02 The Feeder covenants and agrees that it will not at any time, in any manner, and has no right to, sell or otherwise dispose of the Cattle or Supplies, or mortgage, charge, encumber, pledge, or grant security upon the Cattle or Supplies.

SECTION 5.00 RIGHT TO INSPECT THE CATTLE

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

SECTION 6.00 DELIVERY OF CATTLE

- 6.01 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.
- 6.02 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".
- 6.03 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)*
- 6.04 Upon delivery to the Premises, the Cattle must have National ID ear tags with a record of the Owner's registry.

SECTION 7.00 OWNER'S OBLIGATIONS

- 7.01 The Owner shall be responsible for all costs related to the initial processing of the Cattle, which shall include any drugs, booster shots, implants, ear tags, and chute fees.
- 7.02 The Owner shall be responsible for all costs related to branding, dehorning, and castrations of the Cattle.
- 7.03 The Owner shall be responsible for ____% of the costs of medicine and drugs for calving and post calving which includes, but is not limited to the following: milk replacer, scour treatment, electrolyte, antibiotics, and veterinarian costs associated with C-section. *(If less than 100%, provision should be made for how the cost is to be shared)*
- 7.04 All rights, title, and interests in and to all Cattle delivered to the Feeder pursuant to this Agreement shall at all times remain to the Owner, and the sole right of the Feeder with respect to such Cattle shall be to perform the services and labour specified in this Agreement, and to ship the Cattle on instructions from the Owner from time to time.

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 notice in writing to the other party.
- 10.02 In addition to its rights under subsection 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.
- 10.04 The Owner reserves the right at any time to remove the Cattle from the Feeder's Premises, upon _____ business days written notice being provided to the Feeder, and upon payment in full of the amount owing to the Feeder at the time of removal.

10.05 The Feeder shall have the right, at any time, and for any reason, to instruct the Owner to remove any or all Cattle held by the Feeder and the Owner shall attend to same within _____ business days of written notice being provided. The Owner shall pay all outstanding charges against the Cattle being removed prior to their release from the Feeder. Should the Owner fail to remove the Cattle within the time set forth as above, the Feeder shall be entitled to sell the Cattle.

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 Amendments and alterations to this Agreement shall be in writing and shall be signed by both the Owner and Feeder.

12.02 Nothing in this Agreement shall constitute the Feeder as a joint venture with, or the agent, legal representative, partner, or employee of the Owner, and neither party shall have the right or power to and shall not bind or obligate the other in any way, manner, or thing whatsoever nor represent to anyone a right to do so.

12.03 This Agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective heirs, successors, assigns, executors and administrators.

12.04 The Feeder shall not assign or transfer this Agreement or any rights or obligations under this Agreement without first obtaining written permission from the Owner.

12.05 No assignment or transfer of this Agreement shall relieve the Feeder of any obligations under this Agreement, except to the extent that they are properly performed by the Feeder's permitted assigns.

12.06 Time is of the essence of this Agreement.

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

IN WITNESS WHEREOF the parties hereto have executed their hands and seals as of the date and year above written.

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 Business Management Specialist](#) or [Manitoba Agriculture Office](#)