

NZ FARMERS **LIVESTOCK**

Working with Farmers for Farmers

Grazing Contract



100%
NEW ZEALAND
OWNED &
OPERATED

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GRAZING CALCULATION

The Grazing Contract is agreed by both parties on a \$ per head per week charge.

Chargeable on the 6th (or nearest business day) of each month and payable on the 20th of each month.
(This may alter as a special condition)

With there not being full weeks in a month the charge is calculated to a daily rate.

CALCULATION EXAMPLE

\$11.50 (Rate per head per week) divided by 7 (Days in a week) multiplied by
e.g 30 (Days in a month) = the rate per head per grazing period

$$\$11.50/7 \times 30 = \$49.28$$

Or

$$30 \text{ (Days in the month) divided by } 7 \text{ (Days in a week) } \times \text{Rate (e.g } \$11.50) = \$49.28$$

NZ Farmers Livestock Ltd – Grazing Contract

NZ FARMERS LIVESTOCK

AGREEMENT made the _____ day of _____ 20_____

BETWEEN ("Grazier")

Name _____
Address _____

Account No. _____

Email address: _____
Contact details: _____
Nait number: _____

("Owner")

Name _____
Address _____

Account No. _____
Email address: _____
Contact details: _____
Herd and PTPT codes: _____
Nait number: _____

In consideration of payment by the Owner to the Grazier of the grazing fees, the Grazier does hereby agree to provide in respect of the stock the services provided for in this Agreement, and the parties otherwise agree as follows:

Interpretation: In this agreement the following definitions shall apply:

"Actual Weight Schedule" shall be the table recording starting and subsequent individual stock weights being **Schedule Two** attached to this agreement as determined pursuant to this agreement.

"Agent"- shall mean the employee of NZ Farmers Livestock Limited appointed by them to act on their behalf with regard to this agreement

"Commencement Date"- shall mean the date the livestock arrive on the grazier's property

"Conclusion Date"- shall mean the date the livestock leave the grazier's property

"Consultant"- shall mean an independent person deemed to be an expert in stock management mutually agreed by both parties or if no agreement then an arbitrator agreed by both parties. In the absence of agreement within 20 days any party may then seek determination of an Arbitrator by the President of the NZ Law Society or his or her nominee

"Good Health"- shall mean sound in body and limb and meeting DairyNZ recommended weights per **Schedule One** (within 5%) or in the event that DairyNZ is no longer in existence a suitable replacement organisation mutually agreed upon by both parties. In the absence of agreement within 20 days any party may then seek determination of an Arbitrator by the President of the NZ Law Society or his or her nominee

"Grazier"- shall mean the party as defined at the beginning of this agreement

"Grazing Property" shall mean the property as described in Clause 2 of this agreement

"MPI"- shall mean Ministry of Primary Industries or any such other government department who shall take on this role

"Mutually Agree, Agree, Agreed Upon, As shall be Agreed agreement between the parties, etc" shall mean as shall be agreed upon in writing by the parties and failing agreement to be determined in accordance with Clause 17 of this agreement.

"Nait"- shall mean National Animal Identification and Tracing in accordance with the National Animal Identification and Tracing Act 2012

"Owner"- shall mean the party as defined at the beginning of this agreement

"PPSR"- shall mean the Personal Properties Security Register in accordance with the Personal Properties Security Act 1999 or any statutory modification or a replacement.

"Price, Rate, \$, %"- shall all be plus GST (if any) (Goods and Services Tax)

"Stock"- shall mean the stock as defined in Clause 3.1 of this agreement

"Straight off feed"- shall mean the stock can be weighed immediately after coming off grass

"Target weights Schedule"- shall mean at **Schedule One** attached to this agreement, showing recommended weights derived from the DairyNZ farmfact sheet dated March 2012.

"TB"- shall mean Tuberculosis in accordance with the Tuberculosis Act 1948

"The Company"- shall mean NZ Farmers Livestock Limited or NZFL

1. DURATION OF GRAZING

1.1 Commencing on _____
("Commencement date")

1.2 Concluding on _____
("Conclusion date")

The provisions of this Agreement survive the conclusion ("conclusion date") in respect of those obligations hereunder that remain outstanding.

2. GRAZING PROPERTY

The stock shall be grazed on the property situated at _____

unless otherwise agreed in writing by all of the parties to the agreement.

3. DESCRIPTION OF STOCK

3.1 The stock owned by the Owner being the subject of this Agreement (herein referred to as ("stock")) are as follows: (Profile and weights attached)

Number	Breed	Gender	Approximate age
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3.2 The Owner with the co-operation of the Grazier shall ensure NAIT unique identification tags will be recorded and used as the primary stock identification. Earmarks, brands and any other stock identification are as follows:

3.3 The Owner shall ensure that the stock shall be in good health at the commencement date and if required by the Grazier shall be verified as such on the commencement date by agreement between the parties.

3.4 NAIT responsibilities

Both parties will ensure compliance with NAIT requirements in respect of the transfers. Responsibility for the NAIT tagging and replacement tagging shall lie with the Owner, but the Grazier shall forthwith report any tagging missed or that may need replacement.

The company may facilitate scanning and reporting at agreed charge rates.

4. ANIMAL HEALTH

4.1 **Owner bred** Yes ☐ No ☐

These animals have been tested for TB while under my control

Owner Yes ☐ No ☐

The last TB test for these animals was _____

Outcome of that test: _____

TB status of these animals: _____

Owner property TB status _____

The last TB herd test on the property these animals come from was _____

Grazier's property TB status _____

Has the grazing property got or intended to have animals from a controlled area: Yes ☐ No ☐

Are these animals being moved from a Declared Movement Controlled Area: Yes ☐ No ☐

4.2 Mating:

Provided that the Grazier has not breached any of the terms below, in-calf rates shall be solely the responsibility of the Owner. The Grazier and Agent shall advise the Owner of any observations or issues from the monitoring/farming they do so as the Owner can reasonably carry out the Owner's responsibility with regard to in-calf status of the stock. *(Delete option not applicable)*

Option One:

(a) The Grazier will supply bulls at a ratio of not less than one bull per _____ head of stock to run with the Owner's stock.

(b) The bulls to run with the stock from /.... /.... to /.... /....

(c) The Grazier will provide facilities at no extra charge for the synchronization and Artificial Insemination of the stock.

(d) The bulls supplied to be sound and of a size compatible with the female stock to be mated.

(e) The Owner to pay the Grazier at the rate of \$ _____ per head grazed at the conclusion of the mating period OR the bulls to be supplied by the Grazier at no charge to the Owner. *(Delete one)*

(f) State the breed of bull(s) to be used (if applicable) _____

Option Two:

(a) The Owner to be permitted to supply a maximum of _____ (number) bulls to run with the stock.

- (b) Any bulls to be of reasonable temperament.
- (c) The period which the bulls to run to be from /.... /.... to /.... /....
- (d) The Owner to pay the Grazier \$ _____ /week/bull during the period from /.... /.... to /.... /....
- (e) The bulls to be removed by.... /.... /.... if requested by the Owner.
- (f) In the event of failure to remove the bulls on the date described (or allowed bulls in excess of agreed numbers), the Owner shall pay the Grazier at the rate of \$ _____ per head per day until such time as they are removed.
- (g) Bulls used for either option (1) or (2) must be TB & EBL tested and clear & BVD tested inoculated and clear and also be treated for Theileria before delivery.

4.3 Drenching

All parties agree that normal practice drenching is a critical requirement for all parties to meet the grazing objectives. The Grazier has the right to request Consultant review, and implementation of 'normal practice' where the review indicates a deficiency. (*Delete option not applicable*)

Option One

- (a) The Grazier undertakes to drench the stock as stated below:

- (b) The drench to be administered strictly according to the manufacturer's instructions.
- (c) The drench is to be supplied by the Grazier/Owner (*delete one*)
- (d) The Owner will be charged on a per dose rate, or the Owner will not be liable to any charge for drench (*delete one*). If not selected it will be the Owner who supplies the drench, or note that if one option is not deleted then refer to Clause 17.

Option Two

- (a) All parties shall mutually agree on a drenching plan
- (b) The Owner (or a person appointed by the owner), if drenching the stock shall have access to the Grazier's facilities (yards, etc.) for the purpose of drenching the Owner's stock. The Grazier shall be responsible for maintaining these facilities at a standard allowing the safe and effective completion of stock handling and veterinary requirements.
- (c) The drench to be supplied by the Owner.

5. Inspection

The Owner (or a person appointed by the owner) shall have access to the Grazier's property at all reasonable times to inspect the stock grazing at the property to enable the Owner to ensure that the Grazier's obligations are being carried out pursuant to the provisions of this Agreement.

6. Veterinary Treatment

- 6.1 The Grazier will take all reasonable care of the stock to prevent sickness and/or injury during the term of this Agreement in accordance with generally accepted good husbandry practice.
- 6.2 The Grazier will advise the Owner directly of any loss, sickness, injury to or death of, any of the stock.
- 6.3 The Grazier will allow access by the Owner and/or veterinarian to treat, including vaccinations, and if necessary, to remove any sick or injured animal.
- 6.4 All veterinary costs incurred in treating the Owner's stock while grazing on the Grazier's property will be met by the Owner unless incurred as a result of negligence by the Grazier.
- 6.5 The Owner shall bear the cost of any deaths of his stock up to a 3% loss rate while on the Grazier's property, unless it can be shown that the death was a direct result of negligence by the Grazier. This shall be determined based on the advice of a reputable mutually agreed farm consultant. The Grazier will be liable for the cost of any deaths above a 3% loss rate subject to clause 19. The value of the animals to be determined by the company.
- 6.6 All parties agree that good practice eczema treatment shall be carried out. When the Owner requires facial eczema preventative measures to be taken, the Owner shall provide the materials. Nominated eczema preventative is by capsules/trough treatment or pasture spraying, *delete what is not applicable*.
capsule
trough treatment
pasture spraying
other _____
- 6.7 No party to this contract shall have used or will use growth promotants on the stock.
- 6.8 The Grazier shall facilitate (and ensure adequate yard facilities) testing/treatment that the Owner wishes to have done for pregnancy, leptospirosis, BVD and any other health tests. Results shall be made available to all parties, but otherwise treated confidentially by the Grazier.

7. Removal of Stock

- 7.1 The Grazier will not remove the Owner's stock from the grazing property described above without the prior written consent of the Owner.
- 7.2 The Grazier can in a MPI declared drought area, request the Owner to supply extra feed to maintain growth rates or the Owner has the right to remove the stock before the expiry of this agreement, on which day of removal the agreement shall terminate subject to any monies owing by either party and any other outstanding obligations or liabilities of either party up to the date of

termination.

- 7.3 The Grazier and the Owner (or a person appointed by the owner) shall mutually agree at the commencement of this contract that the property is not over stocked and that the Grazier has adequate supplementary feed on hand to make sure the stock are meeting their target weights (within 5 percent per animal) and only in the exception of a declared MPI drought shall the Grazier be able to ask the Owner to supply extra feed otherwise the Grazier will be liable to buy in extra feed to honour this contract.
- 7.4 The Owner can remove all or any number of the stock at any time if it is established that the Stock are not thriving or are more than 5 percent behind recommended weights, taking into account the weights at the commencement date, and if deemed by the consultant that it was due to mismanagement by the Grazier.

The Grazier must be given at least 14 days' notice prior to removal pursuant to this sub clause 7.4. If the Owner cannot find suitable alternate grazing within the 14 days' notice period then a mutually agreed suitable bought in feed will be provided to the stock and the cost of this shall be paid by the Grazier until such time as the owner can;

- (a) Find alternative suitable grazing; and or
- (b) The feed situation at the grazing property reaches a mutually agreed adequate level. The Grazier will be liable for a one off cost of \$50 per head if the stock are removed as a result of the grazier being unable to adequately feed them and other options on that grazier's property proving, in the owner's reasonable judgment, to be unsatisfactory.

- 7.5 The Grazier will not hinder such removal, and shall facilitate use of required yard and loading facilities
- 7.6 Any animals described in this Agreement not returned to the Owner at the conclusion of this Agreement and not having been shown to have died, shall be compensated for by the Grazier at current market values. The Agent (appointed by the Company) shall determine the market value.
- 7.7 Where animals are removed, or die prior to the expiry date of the Agreement, the Grazier shall be paid for those animals up to but not including the day of their removal or death.
- 7.8 Replacement stock determined to be in-calf ahead of normal/advised timing shall be removed from the grazing property unless otherwise agreed in writing by all parties.

8. Transport

- 8.1 The Owner shall pay all charges and costs attached to transporting the owners stock between the Owner's and Grazier's properties.

9. Grazing Fees

In the event that payments are not made on the due date for payment, the Owner shall pay interest on outstanding payments at a rate of 21.75% per annum from the invoice date to the date of actual payment.

Stock shall arrive in good health (or be returned on a timely basis, at the Grazier's discretion), and all parties will consider the starting weights and condition as they negotiate the grazing fees applicable.

(*Delete option not applicable*)

Option One

- 9.1 The Owner shall pay the Grazier at the rate of \$ _____ per head per week from the commencement date stipulated in Clause 1.1 to 30th April _____, and at the rate of \$ _____ per head per week from 1st May _____ to the conclusion date stipulated in Clause 1.2.
- 9.2 Payment to be calculated on a per head, per day, per rate + GST and to be charged on or about the 6th day of each following month for payment on the 20th day of each month. The first payment due on the 20th day of the month immediately following the commencement date.

OR

Option Two – Payment on Weight Gain

It is hereby agreed that:

- 9.3 The Owner will pay the Grazier at the rate of \$ _____ per head per week from the commencement date stipulated in Clause 1.1 to 30th April _____, and at the rate of \$ _____ per head per week from 1st May _____ to the conclusion date stipulated in Clause 1.2.
- 9.4 Payment to be calculated on a per head, per day, per rate + GST and to be charged on or about the 6th day of each following month for payment on the 20th day of each month. The first payment due on the 20th day of the month immediately following the commencement date.
- 9.5 The accepted weight gain for May to May young replacement stock grazing for each individual animal at the conclusion is attached. This is either confirmed/not confirmed (*delete one*) as the basis for this contract, or the following alternative agreed: _____
- 9.6 For grazing other than May to May, weight gain targets will only be applied as a basis for determining performance and payment, if agreed in writing, as follows: _____
- 9.7 For May to May grazing, for each kilogram in excess of an agreed weight the Owner will pay the Grazier an additional \$ _____ per kilogram
- 9.8 For May to May grazing, for each kilogram below the accepted weight, the

- Grazier will pay compensation to the Owner at the rate of \$ _____ per kilogram.
- 9.9 Stock to be weighed on electronic scales at all times straight off feed.
- 9.10 Extensive use of supplements shall, at the owner's discretion (and cost of expert) be subject to expert review and acceptance (to avoid serious diet imbalance).
- 10. Weighing and monitoring**
- 10.1 The Company/Owner (*delete one*) shall weigh the livestock prior to delivery (straight off feed) to the Grazier's property to ascertain a start live weight and will weigh bi-monthly (straight off feed) from the commencement date. A copy of all weights to be sent to the Owner and Grazier directly after weighing, and recorded in **Schedule Two**.
- 10.2 The Grazier shall be responsible for farming the stock consistent with good industry practice, and for advising the Owner and Company of any issues reasonably known by the Grazier, and likely to impact animal health or the achievement of weight gain targets.
- 10.3 The Owner, unless stated in Clause 10.1 shall be responsible for weighing and labour costs, and the overall progress under this Agreement. If the Company is nominated to weigh, weighing will be charged at \$ _____ /hd plus travel. Where feasible, work shall be to a pre-agreed schedule. All parties have the right to be present.
- 10.4 Any party shall have the option at their cost to have the scales checked for accuracy. Any material issue found shall be corrected to a standard judged reasonable for normal on farm scales.
- 10.5 It is acknowledged that if each animal, at commencement date is below or above recommended weights, that the relativity of the weights to the recommended starting weight be noted in kg terms (above/below recommended weight) and that the Grazier will not be subject to Owner action described herein unless the animal moves below 95% of the relevant adjusted recommended weight, after adjusting the recommended weight from **Schedule One** by the initial weight (kg) difference from the recommended weights throughout and at the end of the grazing period.
- 11. Charges**
- 11.1 The parties acknowledge that NZ Farmers Livestock Limited (The Company) are appointed the Agent through whom this Grazing Contract has been negotiated whose commission will be paid to the Company by the Grazier/Owner (*delete one*) at the rate of _____ % or \$ _____ /hd on the fees payable under the provision of Clause 9.
- 12. Security**
- 12.1 The parties agree that the Grazier and Agent will arrange PPSR securities over the stock grazed, to secure their proceeds from this Agreement. Such PPSRs to be removed if requested by the Grazier after final payments and return of stock to the Owner.
- 12.2 The parties agree that the Owner and Agent will arrange PPSR securities over the stock grazing, to serve notice of ownership and registered interest in the stock. Such PPSRs to be removed if requested by the Owner after final payments and return of stock to the Owner.
- 13. Grazier Warranties**
- 13.1 The Grazier warrants that the grazing stock will be farmed consistent with normal farming practice. Action by any party for redress related to this warranty shall be limited to removal of animals clearly not farmed in this manner, or the pursuit of recompense for stock deaths caused by Grazier negligence (per Clause 6.5), and such action shall be subject to the Mediation and Arbitration options within this Agreement.
- 14. Insurance**
- The Grazier and Owner shall hold \$ _____ of _____ insurance cover in relation to their farming/grazing activity.
- The Company shall hold \$ _____ of _____ insurance in relation to their role in this area of business
- 15. Limitation of Liability**
- With the exception of liability related to gross negligence, no party to this Agreement shall be liable for more than the monthly value of revenues they could reasonably contemplate from this Agreement. Liability in relation to gross negligence shall be capped at the market value of five (5) stock. The limits are applied based on the acknowledgement by all parties to this agreement that they will adequately monitor the grazing progress, and respond in a timely fashion with a view to agreeing on appropriate corrective action, but if necessary, to ensuring timely termination.
- 16. Termination**
- The rights to termination for this agreement, by any party, are as detailed throughout the agreement. Where reasonably possible, any party considering termination shall be obligated to first attempt to agree resolution of their concerns in order to continue the grazing arrangements. Unilateral termination outside of the provisions earlier in this contract shall be subject to the Mediation and Arbitration clauses, which may determine compensation to be paid by any party to any other party.
- 17. Mediation (Arbitration)**
- 17.1 The Grazier and Owner shall first refer any concerns to the Company, and work with that party in an effort to resolve any concerns under this contract, if the parties are unable to agree on any point regarding the carrying out of this Agreement the mutually agreed Consultant appointed will endeavor to resolve any issues.

- 17.2 If the parties (Owner, Grazier, Company and Consultant) are unable to resolve any point regarding the carrying out of this Agreement, each will appoint a mediator to discuss the matter in dispute.
- 17.3 In the event that the Mediators cannot resolve the situation, an Arbitrator, approved by both parties, shall determine the matter pursuant to the provisions of the Arbitration Act 1996. In the absence of agreement of an Arbitrator within twenty (20) days, any party may seek determination of an Arbitrator by the President of the New Zealand Law Society or his or her nominee. The Arbitrators decision to be final. The costs of Arbitration shall be allocated based on the Arbitrators decision.
- 18. Special Conditions:** (Addendum attached) Yes / No
- 19. Force Majeure**
- In the event of a declared MPI drought or other events precluding the reasonably anticipated completion of this agreement and not reasonably foreseen by any party, the parties shall work in good faith to protect value of the stock, but without any obligation to materially compromise their individual interests. Any party may reasonably terminate the contract, but shall be subject to the Mediation/Arbitration provisions of the Agreement to determine whether such action was or was not reasonable in the circumstances, and to potential liability in the event that their action was determined not to be reasonable.
- 21. Disclaimer**
- The information herein has been derived from the Grazier and Owner to present this publication. Please note that although all care has been taken by the Grazier, Owner and/or NZ Farmers Livestock Limited to compile this contract, (E & OE) NZ Farmers Livestock Limited, any of their employees take no responsibility for its accuracy. Further, any disputes arising from this contract, will be arbitrated for resolution under Clause 17 of the contract.
- 22. Deed of Accession**
- Nothing in this Agreement shall be binding on the Company unless the Deed of Accession annexed at Schedule Three has been executed by two of the Directors of NZ Farmers Livestock Limited.

SIGNED by the Grazier _____

Dated this _____ day of _____ 20____

SIGNED by the Owner _____

Dated this _____ day of _____ 20____

SCHEDULE 3 - DEED OF ACCESSION

Dated _____ day of _____ 20 ____

By NZ Farmers Livestock Limited (NZFL)

In Favour of the parties to this Agreement

Background

This deed is supplemental to the Stock Grazing Contract annexed dated

_____ day of _____ 20 ____

Between _____ (Grazier)

and _____ (Owner) (Grazing Contract)

Terms

1. NZFL confirms it has been given a copy of the Grazing Contract.
2. NZFL covenants with the parties of the Grazing Contract to observe, perform and be bound by the terms of the Grazing Contract as Agent referred to therein to the intent and effect that NZFL is taken to be bound from the date on which NZFL signs this Deed.
3. NZFL's address for the purposes of the Grazing Contract is the registered office of the Company:

EXECUTED as a deed poll

SIGNED for NZ FARMERS LIVESTOCK LIMITED

By its Directors:

Director

Director

NZ FARMERS LIVESTOCK

ADDENDUM

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Signed:

Grazier:

Date:

Owner:

Date:

Agent:

Date:

Chief Executive Officer

Steve Morrison
027 432 3389
06 765 8734

General Manager

Bill Sweeney
027 451 5310
07 889 5608

National Administration Manager

Joanne Richards
027 440 3323
06 765 8738

Financial Services Manager

Simon Williams
027 491 2173
07 889 1673

Regional Manager — Northland

Allan Swindlehurst
027 493 2844

Regional Manager — Taranaki

Stephen Sutton
027 442 3207
06 752 3305

Regional Manager — Waikato

Ollie Carruthers
027 451 5312
07 889 5535

Regional Manager — Manawatu

Malcolm Coombe
027 432 6104
06 329 8756

Regional Manager — King Country

Alan Hiscox
027 442 8434
07 895 6177

Regional Manager — South Island

James Perkins
027 232 8052

Regional Offices

Northland — 0800 100 157
Waikato — 07 889 1671
King Country — 06 765 6197
Taranaki — 06 765 6197
Manawatu — 06 324 8135
South Island — 03 615 5147

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