



SPECIMEN

Dairy Heifer Rearing Agreement
Flat Rate Contract

INTRODUCTION

This is one of two specimen agreements drawn up to assist farmers intending to enter into dairy replacement heifer rearing contracts. This version proposes a flat rate contract whereby payments are made by the dairy farmer to the contract rearer based on agreed fixed charges per day for each replacement heifer kept. (The second version, a weight bonus specimen agreement, has provision for a basic charge per replacement heifer per day kept plus an additional payment based on achieving agreed target weights set out in the agreement.) The Teagasc document, "Guidelines for the Contract Rearing of Replacement Heifers" should be read to provide guidance to farmers intending to enter into such an agreement. ***Farmers intending to enter into such an arrangement should draw up an agreed document with the help of their professional advisers. This specimen document puts forward possible options***

GUIDE TO THIS SPECIMEN AGREEMENT

This specimen document provides that a Contract Rearer agrees with the Owner of Replacement Heifers to rear the Replacement Heifers on lands available to the Contract Rearer. It has four main sections as follows:

1. In the first section (page 3) the parties, the Owner and the Contract Rearer, set out their names, addresses and PPS Numbers. When an agreement is reached, parties sign in this section.
2. The First Schedule, pages 4-6, contains sections to be completed by the Owner and Contract Rearer in which they fill in matters agreed between them such as commencement and duration of the agreement, fee agreed to be paid per replacement heifer per day, and location of land where the heifers will be kept by the Contract Rearer.
3. The Second Schedule, pages 7-8, contains tables to be completed by the Owner and Contract Rearer. Table 1 is used to list and identify the replacement heifers involved in the contract. Table 2 is for dates and details of vaccination programme agreed. (This specimen document provides that the owner will pay for all veterinary treatments including call-outs as well as the cost of vaccines and worm dosing medications.)
4. The General Terms and Conditions, pages 9-18, set out detailed legal terms of the agreement. This part of the document contains legal detail. Although sometimes seen by practitioners as legal jargon, the purpose of this section, however, is to provide clarity, in writing, about the rights and obligations of each party to a contract. This part of an agreement is very likely to be scrutinised in detail in the event of a difference of opinion or disagreement arising between the parties. The Owner and the Contract Rearer are advised to carefully read, understand and amend this section as necessary with the assistance of their professional advisers before finalising and signing any agreement.

Headings are inserted in this specimen document for assistance only and, if adopted, should not form part of a legal agreement.

ACKNOWLEDGEMENTS

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Updated By: Thomas Curran, Farm Structures Specialist, Teagasc. October 2018

DISCLAIMER

This suggested specimen agreement contains material in relation to contract rearing of dairy replacement heifers. It has been compiled to assist farmers to inquire and to discuss proposals and alternatives with their solicitors, financial advisers, accountants and other professional advisers. It is not intended for any other purpose. Independent advice should be obtained by each prospective party. Persons proposing to enter into a dairy replacement contract rearing arrangement should request their own advisers to draft a document adapted to the needs and circumstances of the persons involved which complies also with the terms of all relevant legislation. While every effort has been made to ensure that any information contained in this specimen document is correct at the time of preparation, no liability whatsoever can be accepted by those who compiled this agreement, or by Teagasc for any loss suffered by any person as a consequence of relying on it or on any matter published in it or for any matter whatsoever. The draft legal document is intended as a specimen only. It should not be signed or adopted, even in part, without first taking specific legal advice from a solicitor and advice in relation in all relevant matters from accountants and all appropriate experts.

Dairy Heifer Rearing Agreement

Flat Rate Contract

This Flat Rate Heifer Rearing Contract is made this _____
[insert date]

Between

(Name) _____
(Address) _____

PPSN Number: _____

(who in this agreement is called the Owner).

And

(Name) _____
(Address) _____

PPSN Number: _____

(who in this agreement is called the "Contract Rearer").

The Owner and the Contract Rearer agree that the Contract Rearer will rear and attend to the Replacement Heifers listed in Table 1 of the Second Schedule in this agreement on the lands described at Clause 3 of the First Schedule in this Agreement for the payments and on the terms and conditions set out in this agreement.

SIGNED BY THE OWNER: _____

in the presence of: _____

SIGNED BY THE CONTRACT-REARER: _____

in the presence of: _____

FIRST SCHEDULE

1. Commencement and Duration

The Replacement Heifers will be delivered to the Contract Rearer on the

_____ [insert date of delivery of replacement heifers]
and from that date payments will start to arise . This agreement will continue until

_____ [insert date agreement is to finish]
unless terminated or extended as provided in accordance with this agreement.

2. Amount and manner of payment

- (a) The fee payable under Clause 1 above by the Owner to the Contract Rearer is €..... per Replacement Heifer per day.
- (b) If any Replacement Heifers remains on the Contract Rearer's land for longer than detailed in Clause 1 above the fee payable by the Owner to the Contract Rearer shall be €..... per Replacement Heifer per day.
- (c) All fees shall be payable on the day of each month in arrears commencing on to the following bank account:

Account Number: _____ Sort Code: _____
Bank IBAN: _____
Account Holder: _____
At (Name of Bank): _____
(Address of Bank): _____

3. Contract Rearer's Lands

The land on which this agreement is to be performed by the Contract Rearer is

[Address of land and Land Registry Folio Number:]

4. Facilitator

In the event of a dispute arising, the following person will be appointed as facilitator to help resolve any issues in accordance with condition 13.1 of the General Terms and Conditions of this agreement.

Name: _____
Address: _____

Email: _____
Contact Phone Nos. Office: _____ Mobile: _____

5. Penalty

If less than % of heifers are not in-calf at the end of the breeding season then the following penalty shall apply:

6. Mating Procedures

The following shall be the Mating Procedure to be followed in relation to the Replacement Heifers in accordance with condition 10 of the General Terms and Conditions of this agreement.

CHOOSE :ONLY OPTION (a), OR ONLY OPTION (b) OR ONLY OPTION (c) OF THE FOLLOWING

Option (a) [Stock Bull only]: If a stock bull only is to be used, please tick this box , and complete the following

Stock Bull to be provided by¹ _____

The bull(s) shall be run with the replacement heifers

From: _____
[insert date]

Until: _____ Inclusive.
[insert date]

OR

¹ **Insert "Owner" or "Contract-Rearer" as appropriate**

Option (b) [AI only]: If AI only is to be used, please tick this box and complete the following:

Replacement Heifers shall be artificially inseminated

From:

_____ [insert date]

Until:

_____ Inclusive.

_____ [insert date]

OR

Option (c) [AI followed by Stock Bull]: If AI is to be used followed by a stock bull, please tick this box and complete the following:

Replacement Heifers shall be artificially inseminated

From:

_____ [insert date]

Until:

_____ Inclusive.

_____ [insert date]

Stock Bull to be provided by²

From:

_____ [insert date]

Until:

_____ Inclusive.

_____ [insert date]

² **Insert "Owner" or "Contract-Rearer" as appropriate**

Table 2. Agreed dates and details of vaccination programme for the Replacement Heifers the subject of this agreement referred to in Condition 6 of the General Terms and Conditions of this agreement:

	Vaccination Dates:		
Vaccination	Preliminary	Booster 1	Booster 2
Leptospirosis			
IBR			
Salmonella			
BVD			
Black Leg			
RSV			
PI3			

General Terms and Conditions

1. *Definitions*

In this agreement the following terms shall have the following meanings save where the context otherwise requires:

“Contract Rearer” shall herein refer to the person contracted to rear the Replacement Heifers under this agreement.

“Contract Rearer’s Land” shall refer to the land described at Clause 3 of the First Schedule in this agreement.

“Owner” shall herein refer to the owner or owner of the Replacement Heifers which are contracted to be reared under this agreement.

“Replacement Heifers” shall herein refer to the animals listed in Table 1 of the Second Schedule in this agreement.

2. *Term of the agreement*

2.1 The commencement and duration of this agreement shall be as set out in Clause 1 of the First Schedule in this agreement unless terminated in accordance with Condition 2.2 hereof.

2.2 The agreement can be terminated by mutual agreement in writing at an earlier date than that set out in Clause 1 of the said First Schedule.

3. *Scope*

3.1 This agreement represents the entire agreement between the parties. No other terms, promises, or representations are included unless specifically stated in this written agreement.

3.2 This agreement may be amended, extended or replaced by another agreement in writing only.

3.3 This is a contract for services and nothing in this agreement shall establish a relationship of employer and employee, or partnership, between the parties, and nothing in this agreement shall be deemed to operate as a transfer of ownership of

replacement heifers or demise of property or to create the relationship of landlord and tenant in any property.

3.4 The agreement relates to the animals listed in Table 1 in the Second Schedule in this agreement. Any increase or reduction in the number of Replacement Heifers will be balanced by payment adjustment during the course of the contract term.

4. General Obligation

4.1 The Contract Rearer shall during the course hereof, in accordance with the terms hereof, attend to, care for, feed, and manage, and rear in accordance with the best standards of animal husbandry, and good farming practice, the Replacement Heifers listed above, and on the termination hereof or as required to hereunder hand over to the owner the said Replacement Heifers in good health and condition in accordance with the terms of this agreement

4.2 The Owner shall deliver at his own cost to the Contract Rearer's Land (specified at Clause 3 of the First Schedule in this agreement) Replacement Heifers in one or more batches **as agreed**

4.3 The Replacement Heifers shall be kept and housed on the Contract Rearer's Land for the duration of this agreement unless otherwise agreed between the parties in writing.

4.4 The Owner shall collect at his own cost the Replacement Heifers for return to his own farm on the date of the expiry of this agreement

5. Animal health: Owner

5.1 The Owner shall ensure that the Replacement Heifers are in good health and condition at the date of transfer to the Contract Rearer's Land and have been dehorned at least one month prior to transfer.

5.2 The Owner shall provide and pay for animal health costs including vaccines and veterinary treatments.

5.3 Prior to movement of Replacement Heifers from the Owner's lands to the Contract Rearer's Land, the Owner shall obtain an AIM Certificate of Compliance for farm-to-farm movement of the Replacement Heifers and give a copy of that certificate to the Contract Rearer.

5.4 The Owner warrants that the Replacement Heifers supplied to the Rearer's farm are from a TB and Brucellosis free herd having achieved two consecutive clear tests for those diseases in accordance with Department of Agriculture Regulations.

- 5.5 The Owner shall ensure that animals *persistently* infected with Bovine Viral Diarrhoea (BVD) are not included among the Replacement Heifers to be sent to the Contract Rearer's Land under this agreement.
- 5.6 The Owner shall suffer normal losses of Replacement Heifers due to death or misadventure.
- 5.7 If a Replacement Heifer is required to be disposed of under Department of Agriculture schemes due to TB or Brucellosis infection the Owner shall apply for all compensation available from the Department of Agriculture and the Contract Rearer shall not bear any liability for the value of the Replacement Heifer.

6 Animal health: Contract Rearer

- 6.1 The Contract Rearer shall ensure that the Replacement Heifers are managed separately from other bovines and kept as a separate group at all times.
- 6.2 The Contract Rearer shall notify the Owner before seeking veterinary assistance. In the case of emergency, if the Owner cannot be contacted in advance, he shall be contacted as soon as possible.
- 6.3 The supply and payment for vaccines referred to in Table 2 in the Second Schedule in this agreement shall be the sole responsibility of the Owner.
- 6.4 Vaccinations programmes (where applicable) as set out in accordance with Table 2 in the Second Schedule in this agreement and dosing programmes and routine herd health procedures shall be administered by the Contract Rearer.
- 6.5 The Contract Rearer shall notify the Owner within one day of the death of a Replacement Heifer.
- 6.6 Knackery charges shall be the responsibility of the Contract Rearer.
- 6.7 Each party shall inform the other party promptly in the event of discovery of Bovine Tuberculosis or Brucellosis on that party's farm or affecting any animals whatsoever which might reasonably be considered to give rise to a risk of infection to animals of the other through the contact arising from this agreement:
- 6.8 The Contract Rearer shall provide animal housing and hygiene for the said Replacement Heifers to a standard that is generally acceptable under good farming practice.
- 6.9 The Contract Rearer shall provide conditions that comply fully with requirements of all regulatory authority regarding animal welfare and disease control.

7. Animal identity

- 7.1 The identities of the Replacement Heifers that are the subject of this agreement are recorded in Table 1 of the Second Schedule in this agreement.
- 7.2 The Replacement Heifers that are the subject of this agreement are provided by the Owner and throughout the currency of this agreement remain the sole property of the Owner.

8. Confidentiality and Records

- 8.1 The parties to this agreement agree to maintain and respect confidentiality in respect of the content of it and of all and any knowledge of the affairs of the other party which may come to their notice in the course of the negotiation and implementation of this agreement.
- 8.2 Each party agrees to keep written records of all materials, labour, services and any other matter supplied for or paid for in connection with the implementation of this agreement.

9 Performance payments

- 9.1 The Owner shall pay to the Contract Rearer the fees set out in Clause 2 of the First Schedule of this agreement at the time and in the manner set out there.
- 9.2 Late payments made by the Owner to the Contract Rearer shall carry an interest payment of 11/2 % per month or part of a month.
- 9.3 If a payment is not made within *three* months the Contract Rearer may sell Replacement Heifers to recover the unpaid fees having given fourteen days' notice in writing to the Owner, but refunding to the Owner any excess thereafter less costs associated with the sale.
- 9.4 Payments to the Contract Rearer shall cease in relation to dead Replacement Heifers from the date of the animal's death.

10. Breeding

- 10.1 Mating procedure shall be in accordance with the option chosen at Clause 6 of the First Schedule in this agreement.
- 10.1.1 If Option (a) has been chosen at Clause 6 of the First Schedule in this agreement, then the following shall apply:
- The Owner/Contract Rearer as therein provided shall provide stock bulls. The breed and number of stock bulls used shall be agreed between the Owner and

the Contract Rearer in advance. The cost of the stock bulls will be borne by the person named at Option (a) in Clause 6 in the First Schedule in this agreement. The bull(s) shall be run with the replacement heifers during the dates set out at option (a) clause 6 in the said First Schedule in this agreement (and thereafter if agreed between both parties). The stock bull(s) shall be removed from the Replacement Heifer group on the date agreed at option (a) in the First Schedule in this agreement.

OR

10.1.2 If Option (b) has been chosen at Clause 6 of the First Schedule in this agreement then the following shall apply:

Replacement Heifers shall be artificially inseminated in accordance with due procedures during the period specified at option (b) Clause 6 in the First Schedule in this agreement, the dates specified being inclusive.

OR

10.1.3 If Option (c) has been chosen at Clause 6 of the First Schedule in this agreement then the following shall apply:

(i) Replacement Heifers shall be artificially inseminated in accordance with due procedures during the period specified at option (c), Clause 6 in the First Schedule in this agreement the dates specified being inclusive.

(ii) The Owner/Contract Rearer as therein provided shall provide stock bulls. The cost of the stock bulls will be borne by the person named at Option (a) in Clause 6 in the First Schedule in this agreement. The bull(s) shall be run with the replacement heifers during the dates set out at option (a) clause 6 in the said First Schedule in this agreement (and thereafter if agreed between both parties). The stock bull(s) shall be removed from the Replacement Heifer group on the date agreed at option (a) in the First Schedule.

10.2 Conception: The Contract Rearer undertakes to achieve a minimum of 90% of heifers as in-calf at the end of the contract. Barren Replacement Heifers shall be returned to the Owner or otherwise dealt with by the Owner subject to payments being made to the Contract Rearer in accordance with this agreement.

10.3 Where AI is used, it shall be the responsibility of the Contract Rearer to ensure that all associated procedures including heat detection, drafting and inseminations are carried out in a timely and efficient manner to a high standard.

- 10.4 Where synchronisation is used, the responsibility for implementing this rests with the Owner and this will be facilitated by the full cooperation of the Contract Rearer.
- 10.5 Where used, the Owner shall select and pay for AI, fertility treatment and scanning and this will be facilitated by the full cooperation of the Contract Rearer.
- 10.6 The Contract Rearer shall carry out heat detection and have AI administered as agreed or ensure that nominated bull(s) as agreed at Clause 6 of the First Schedule in this agreement is/are run with the heifers as agreed.
- 10.7 The Contract Rearer shall ensure that records are kept of heat detection and repeats, (whether AI or Bull is used).
- 10.8 Where stock bull(s) are used, responsibility for determining BVD status rests with the party agreed at Condition 10.1 above as providing the bull(s).

11. Owner: Undertakings Obligations

- 11.1 The Owner shall ensure that all Replacement Heifers are weaned and fully adjusted to a concentrate/forage diet at the time of arrival on the Contract Rearer's land.
- 11.2 The Owner shall make the final payment prior to or at the time of removal of the Replacement Heifers from the Contract Rearer's Land
- 11.3 If animal insurance is taken out by the Owner, the cost of it shall be borne by the Owner.

12. Contract Rearer: Undertakings and Obligations

The Contract Rearer shall:

- 12.1 At all times during the course hereof provide at his own expense, adequate and nourishing animal feed to the Replacement Heifers which shall consist of good quality pasture, stored forages, supplementary feeds, ration balancing and bloat controls as appropriate.
- 12.2 Allow the Owner access to the property where the animals are kept at all reasonable times to inspect, deliver or collect animals, with reasonable prior notice.
- 12.3 Keep written management and performance records as agreed between the parties the subject to this agreement.
- 12.4 Provide all necessary labour required on the Contract Rearer's Land for the implementation of this agreement.
- 12.5 If losses arise due to death or misadventure of more than 5% of a contemporary group of Replacement Heifers being cared for by the Contract Rearer, then the Contract Rearer shall refund in full to the Owner any fees paid to him by the Owner

in respect of the Replacement Heifers in excess of 5% so lost.

12.6 Provide for all other rearing costs

13. *Prevention and Resolution of Disputes*

13.1 Any dispute as to the terms and conditions of this Agreement and/or as to the subject matter hereof shall be resolved or determined in accordance with the provisions of this Condition.

13.2 Any such dispute shall in the first instance be referred to a Facilitator before it may be referred to Arbitration hereunder.

13.3 The Facilitator shall be the person named in the First Schedule Clause 4 in this agreement or any third party agreed by the Parties in writing. The Facilitator shall have the power to nominate at his/her discretion, having consulted with the Parties, another person with particularly relevant skills to act in their place as Facilitator. The Facilitator shall also have the power to consult such a person while acting as Facilitator.

13.4 The opinion or recommendation of the facilitator shall not be legally binding unless adopted by both parties and reduced to writing and recorded and signed as having being agreed between them.

13.5 Any dispute, which is not resolved by referring it by agreement to the Facilitator as provided in this agreement, shall then be referred in the first instance to conciliation in accordance with the provisions specified in this agreement before being referred to arbitration.

13.6 All disputes, which arise between the parties, and which have not been resolved by the intervention of the facilitator or under Condition 1 3.2 hereof, or by the conciliation process set out below hereto may be referred to a single Arbitrator who shall have all the powers provided for an Arbitrator in the Arbitration Acts 1954 to 2010.

13.7 If the parties fail to agree on the choice of the Arbitrator, then the arbitrator shall be nominated by the President for the time being of the Law Society.

13.8 The Arbitrator shall have full power to dissolve this contract rearing agreement should he think fit. Any decisions made by the Arbitrator shall be final and binding on all parties.

- 14.1 This procedure shall apply to any conciliation requested under Condition 13.5 of the Agreement.
- 14.2 A party to the Agreement seeking conciliation shall notify the other party to that effect and shall at the same time specify the matter in dispute.
- 14.3 The parties shall agree on a conciliator, and failing agreement within 10 days of notice under Condition 14.1 hereto, either party may request the Facilitator referred to at Condition 13.3 of the Agreement to nominate a conciliator to conduct a conciliation procedure.
- 14.4 The conciliator shall require the parties to submit, in advance of the hearing, a brief written opening statement and appending the necessary documentation not later than 10 working days after his appointment. The parties shall at the same time notify the conciliator of the names of the persons appearing at the conciliation.
- 14.5 The conciliator shall within 10 working days after receipt of statements and documentation establish the order of the proceedings and shall arrange a convenient time, date and place for the hearing.
- 14.6 The conciliator may consider and discuss such solutions to the dispute as he thinks appropriate or as may be suggested by either party. All information given to the conciliator is confidential and shall remain so unless authorised by the party who supplied the information.
- 14.7 The conciliator may, having informed the parties, consult independent third party experts.
- 14.8 The conciliator shall endeavour to commit the parties to reach a mutual settlement failing which he shall within 10 working days of the hearing, issue his recommendation. He shall not be required to give reasons. It shall remain confidential if rejected by either party.
- 14.9 If neither party rejects the recommendation within 10 working days after its issue, it shall be final and binding on the parties. If either party rejects the recommendation, a request for arbitration may be made under Condition 13.6 of this Agreement.

14.10 Each party to the conciliation shall pay their own costs. The parties shall be jointly and severally liable for the conciliator's costs in equal shares, unless the conciliator decides otherwise.

14.11 Conciliations are settlement negotiations and are without prejudice to the rights of the disputants. All statements, information and material, made, given or exchanges, orally or in writing either during the conciliation or prior thereto or thereafter upon the request of the conciliator once made in circumstances where the parties agree that same are wholly privileged and are on a without prejudice basis shall be inadmissible in any legal proceedings, in court or arbitration, to the maximum extent permitted by law. Evidence, which is otherwise admissible in legal proceedings, shall not be rendered inadmissible as a result of its use in the conciliation. The parties in dispute agree not to summon or otherwise require the conciliator to appear or testify or produce records, notes or any other information or material in any legal proceedings, in court or arbitration, and no recordings or stenographic records will be made of the conciliation.

14.12 Any agreement reached by the parties in dispute through conciliation shall be set down in writing and duly executed by them or their authorised representative.

15. *Death of a Party*

15.1 If the Contract Rearer dies during the period of this agreement, this agreement will terminate as from the date of the death. The Owner shall remove any Replacement Heifers then present on the lands within 7 days and the Personal Representatives of the Contract Rearer shall be paid any monies due to the Contract Rearer on foot of this agreement.

15.2 If the Owner dies during the period of this agreement, the agreement will terminate on the termination date agreed in Clause 1 of the First Schedule in this agreement and the Personal Representatives of the Owner shall pay any money due to the Contract Rearer on foot of this agreement.

16. *Penalty*

If the percentage of the Replacement Heifers in-calf at the end of the breeding season shall be less than the percentage specified at Clause 5 of the First Schedule in this agreement, then the Contract Rearer shall accept the penalty set out in that Clause.

17. *Miscellaneous*

17.1 Each party's address for the service of notices shall be the address set out in this Agreement.

17.2 A Notice shall be deemed to have been served at the time of service if it was served personally, or if a notice is served by delivery to the address set out in this Agreement, it will be deemed to have been served 48 hours after it was delivered.