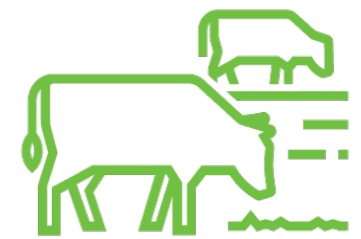


I'M CONSIDERING AGISTMENT OF MY LIVESTOCK... HELP!

AN INTRODUCTION TO AGISTMENT

Agistment is the fee a livestock owner pays to another landholder for the right to graze a set number of livestock on the property for a defined period.

This factsheet introduces the concept of agistment, when it could be a useful option for you and some key considerations before entering an agreement.



Before we start..... let's explain some key terms.

→ Agistment

A right to graze your livestock on another person's land under licence whereby you pay a specified rate for this access. The owner taking on the agisted stock retains possession of the land whereas in a lease the owner generally allows the tenant to exclusively possess the land. An agistment period is usually short-term and agreements can differ particularly in regards to care and management.

→ Licensee/Grazier

The party seeking agistment for livestock (you!) is called the licensee or grazier.

→ Licensor/Agistor

The party with the agistment land available (the property owner).

→ Agistment Agreement

An agistment agreement is a verbal or written agreement between a landowner and an owner of livestock which sets out the terms whereby the livestock can be grazed on the landowner's land.

→ Due diligence

Research, investigation or examination (homework!) performed before entering into an agreement. In regards to agistment, it is important to carefully assess the opportunity (the land, the land owner etc.) and your own resources (labour, cashflow etc.) before moving forward.

→ Breakeven period

An economic decision in assessing whether the agistment decision is a good one. It calculates the breakeven period for the cost of agistment compared to the cost of hand feeding at home. This approach is only relevant if you own land yourself.

We work through a a breakeven example in our [Agistment Calculations Factsheet](#).

→ Opportunity cost

The amount of income that would be earned if that resource was put to an alternative use (e.g. if you own a piece of land and decide to agist it out, the opportunity cost - income foregone - is if you ran your own livestock on those hectares).

Why might you consider agistment?

Agistment of stock can be an option to consider when:

→ Feed demand outstrips feed supply

Agistment can be a very popular option for producers grappling with dry periods and drought. Rather than hand feeding stock, producers can retain their stock by agisting them on country with more feed on offer. Agistment can also be a great strategy when you are growing your herd at a faster rate than your land or feed base can carry.

→ Starting out

New farmers can consider agistment as an entry strategy when starting out when they do not have sufficient capital to buy property. It provides an alternative to leasing country.

DISCLAIMER: The information in this factsheet is for informational purposes only.

It is not to be relied upon to make any lending or business decisions as it does not consider your individual circumstances.



Department of
Primary Industries



Questions to ask yourself before considering agistment



- Does the agistment opportunity compliment your current farm operation or employment and align with your business plans and goals? What is your goal of agisting the stock?
- Can you pay the agistment fee when due?
- If you have to purchase stock, do you have the finance to do so?
- How much is the agistment fee for payment? Be sure to prepare a budget and understand the profit margin per head (we help you with [this!](#))
- What kind of running costs (overhead costs) do I expect?
- Do you need to travel to the property? You need to value your time as this is an opportunity cost.
- What do I expect my gross margins (income & direct costs) to look like? We help you with [this!](#)
- Will your overall business profitability increase by agisting your stock on the land?
- Have you done you due diligence? What is the quality of the agisted land and is this suited to my stock? Do you know the land owner and is this a person you can have a relationship with? Talk to people "in the know", get educated!
- What are the terms of the agistment agreement?
- What are your access rights and what are the expectations of management of the stock on behalf of the landowner?

Licensee
(stock owner)

Licensor
(land owner)

Table 1 Advantages and Disadvantages of Agisting Stock

ADVANTAGES/OPPORTUNITIES	DISADVANTAGES/RISKS
<ul style="list-style-type: none"> • means for expansion of herd/flock without debt/land purchase • may be cheaper than buying in feed • maintain condition, genetics and stock during dry times • access higher quality feed • gives existing pastures a rest 	<ul style="list-style-type: none"> • hidden fees including quality of feed, transport costs, quality of infrastructure • risks involved with change in diet, disease, weeds • full responsibility for animal welfare but limited supervision • uncertainty of continuing access to land/short term arrangement
<ul style="list-style-type: none"> • reliable income/cash flow • opportunity to profit share • opportunity for capital gain • no working capital required • may continue living on the farm 	<ul style="list-style-type: none"> • labour required • non-payment of agistment fees • dispute with licensee over management and condition



Prevention of Cruelty to Animals Act 1979: The objects of this Act are to prevent cruelty to animals, promote the welfare of animals by requiring a person in charge of an animal to provide care for the animal, and to treat the animal in a humane manner, and to ensure the welfare of the animal.

Your role in Biosecurity: Biosecurity is the protection of the economy, environment and community from the negative impacts of pests and diseases, weeds and contaminants. We can only successfully manage biosecurity when every person plays a part.



NLIS Requirements



The National Livestock Identification System (NLIS) is our national system for the identification and traceability of cattle, sheep and goats. As the owner of the stock, you are responsible for recording their movement to and from the agistment property. The property or farm manager where the livestock are being agistment has responsibilities for the stock while they are there.

- Make sure you know the Property Identification Code (PIC) for your property and the agistment property.
- All livestock must have NLIS tags attached before being sent to the agistment property.

Cattle

- As the licensee you must provide the owner of the property with NLIS white breeder devices (for any calves born on agistment property), NLIS orange post-breeder devices (to replace any lost tags from adult cattle) and National Vendor Declaration (NVD) forms or eDecs for cattle moved or sold from the agistment property.

Sheep and Goats

- Any lambs/kids born on the agistment property must be tagged with breeder tags printed with the agistment property's PIC.
- If it is not practical to tag lambs/kids on the agistment property the lambs/kids can be moved untagged with their mothers to another property using a permit from Local Land Services.
- When tagged on the other property they must be identified with either breeder tags with the agistment property's PIC, or post-breeder (pink) tags for the property on which they are being tagged.
- Any sheep/goats that lose their tags while on the agistment property must be tagged with the agistment property's pink post-breeder tags.

LPA Requirements

If you participate in the Livestock Production Assurance (LPA) program, there are a number of requirements you must meet when agistment stock.

Integrity Systems recommend conducting a pre-agreement inspection, confirm that the agistment property is LPA accredited, check if the PIC has any statuses assigned to it on the NLIS database, enquire about other livestock on the property and potential disease risks, and more.

Learn more about their recommendations and the LPA requirements [here](#).

Agistment resources

IN THE YOUNG FARMER LEASING & AGISTMENT TOOLKIT WE HAVE A NUMBER OF RESOURCES TO HELP YOU PREPARE FOR AGISTING YOUR LIVESTOCK:

1. A guide to Agistment Calculations
2. Agistment Calculator
3. Agistment Checklist
4. Sample Agistment Agreement
5. Videos with Experts



- [NLIS Cattle: agistment requirements \(NSW Department of Primary Industries\)](#)
- [NLIS Sheep and Goats: agistment requirements \(NSW Department of Primary Industries\)](#)
- [Meeting LPA requirements for agistment \(Integrity Systems\)](#)
- [Agistment guidelines \(NSW Department of Primary Industries\)](#)
- [Agistment: An Overview \(Farm Table\)](#)