



A guide to taking out contracts for cattle

This guide is endorsed by:



Table of contents

Introduction	3
About Grain Trade Australia Ltd (GTA)	4
Cattle contract pro forma	4
Australian Cattle Trade Rules (ACTR)	5
GTA dispute resolution service	6
GTA cattle committee	7
Cattle contracts	8
1 Cattle contracting process	8
2 Before beginning negotiations.....	10
3 Negotiating the contract.....	10
4 Receiving and confirming the contract confirmation	14
5 Returning the contract	14
6 Communication.....	14
7 Contract issues.....	15
8 Payments	15
9 Resolving disputes.....	15
10 Cattle contracts and dispute resolution	16
Glossary	19

Note: This document is only intended as a guide. The document does not aim to suggest procedures that should be followed when entering a contract. It is not a legally binding document and legal advice should be sought for specific clarification. **For more information, go to www.graintrade.org.au**

Introduction

The following guide is designed to aid cattle buyers, sellers and livestock agents in taking out contracts to buy and sell cattle.

Whether you intend to sell cattle now or in the future, contracts play an important role in the cattle supply chain. The Australian Cattle Trade Rules (ACTR) provide industry-standard terms and conditions to assist in the contracting of cattle by all Australian cattle market participants. These rules are underpinned by Grain Trade Australia's (GTA's) dispute resolution process, which is well known and used within the grains industry.

The ACTR were developed by Meat & Livestock Australia (MLA) in consultation with industry, and have been endorsed by the Australian Lot Feeders' Association, the Cattle Council of Australia and the Australian Livestock and Property Agents Association.

The ACTR provide:

- ✓ consistent contract terms and conditions
- ✓ transparency in the contracting process
- ✓ clarity in business arrangements
- ✓ robust and centralised dispute resolution in the event of default

Adoption of the ACTR is voluntary.

This guide aims to provide a practical checklist for the sale of cattle under contract. It provides general guidelines to aid in understanding cattle contracts, and is not a substitute for specific terms and conditions contained in contracting documents.

In today's climate, there are a range of marketing tools designed to meet business needs. It is important to note that risk/reward and cash flow requirements are different for everyone, so you should carefully select the combination of marketing tools that best meet your needs.

Successful contracting of cattle is a two-way street requiring a collaborative relationship between the buyer and seller. The key to successful contracting is accurate and timely communication between buyer and seller, and full disclosure of information, especially if problems arise.

Keep this guide in an accessible place so you can refer to it next time you buy or sell cattle under contract now or in the future.

About Grain Trade Australia Ltd (GTA)

GTA's extensive grains contracting expertise has been adapted to offer a simple, flexible, efficient and robust trading framework for the contracting of cattle.

GTA was formed in 1991 to standardise grain standards, trade rules and grain contracts across the Australian grain industry. Today, over 95% of all Australian grains contracts now reference the GTA Trade Rules and/or grain standards.

GTA's primary role is to ensure the efficient facilitation of commercial activities across the grain supply chain. Its role within the Australian cattle industry is to manage the ACTR, through the provision of a number of tools.

Cattle Contract pro forma

In many cases, individual companies or livestock agents will use their own contract documents. Alternatively, the Cattle Contract pro forma provides a simple template that can be used as is, or adjusted to suit individual needs, in order to assist with the negotiation of contract details.

The Cattle Contract pro forma consists of:

- ✓ contact details for buyer, seller and agent (if one is used)
- ✓ date and type of contract
- ✓ negotiated details for the contract – such as quality and quantity of cattle, price and payment details, price adjustments and any specific conditions not covered in the Trade Rules.



Australian Cattle Trade Rules (ACTR)

The ACTR can be used with existing contracts or in conjunction with the Cattle Contract pro forma.

They provide clarity in business arrangements, thereby reducing the risk of dispute.

The ACTR underpin cattle contracts, forming the basis for trade. Use of the ACTR is voluntary. However, once parties have entered into a contract with specific reference to the ACTR, they are bound by the trade rules for that contract. As such, the trade rules will guide the actions of the buyer, seller and agent during the term of the contract.

The trade rules reinforce that there is an obligation by the parties to make delivery or take delivery of the specified cattle, at the time, place, quality, and quantity specified in the contract. Furthermore, the parties have rights and obligations under the law, as outlined in the trade rules.

By using these trade rules, all parties are clearly bound to perform and, if not, the trade rules outline what actions may be taken to seek a satisfactory resolution, including the possibility of financial compensation.

The trade rules also specify the process for contract dispute resolution.

The ACTR are designed to enhance, not encroach, on contracts already in the marketplace. They can be used in conjunction with existing contracts, or with the Cattle Contract pro forma.

Ideally, the terms of the contract and the ACTR should be consistent. In reality, contracts will differ from company to company and, as such, it will not always be possible to align the contract with the Trade Rules. However, in the event of any inconsistencies between the two, the terms of the contract will prevail.

Advantages of the ACTR

The clarity and consistency offered by the ACTR simplify the contracting process, and minimise the risk of issues arising from a misunderstanding.

Essentially, the ACTR provide a 'safety net' under contracts by capturing terms and conditions that may have not been included in the negotiated contract.

In the event of an issue arising, the ACTR provide a well-defined, speedy and cost-effective path for dispute resolution, without the need for lengthy legal battles.

Ultimately, use of the ACTR will help to minimise the risk of issues arising with the contract, thereby optimising the quality of the relationship between the supplier and the buyer.

GTA dispute resolution services

The GTA arbitration process involves peer review of contract disputes, offering a commercial, cost-effective and efficient mechanism for resolving issues with contract default.

Cattle arbitrators are cattle supply chain participants who have been nominated as arbitrators, and have undergone specialist arbitration training through GTA.

The three methods to resolve a dispute are:

- ✓ expert determination;
- ✓ fast track arbitration; and
- ✓ full arbitration.

The service is open to all participants of the cattle trade, not only GTA members.

Legal authority of GTA Trade Rules

The GTA Trade Rules are backed by the Australian legal framework. The Trade Rules and Contracts for grains have been challenged at the following jurisdictions:

- ✓ small claims tribunals;
- ✓ county court; and the
- ✓ state supreme courts.



In all cases the various jurisdictions upheld the GTA Awards handed down as part of the GTA dispute resolution service, or ordered the parties to refer their dispute to GTA for arbitration.

GTA Cattle Committee

The GTA Cattle Committee is responsible for ongoing review of the ACTR and Cattle Contract pro forma, to ensure they remain relevant and industry issues are addressed.

Process to review Australian Cattle Trade Rules

The ACTR span the entire Australian cattle industry, and any review of these rules must be transparent and inclusive of all sections of the supply chain. Annual review of the trade rules is undertaken by the GTA Cattle Committee after submission of comments from members of the supply chain.

The Cattle Committee gives equal weighting to all submissions, and all parties must be satisfied that the final trade rule reflects the current commercial cattle trading environment. This approach to review and development of tools ensures facilitation of trade across the cattle supply chain.



Cattle contracts

You can choose to use either specific company contracts, or the Cattle Contract pro forma, in conjunction with the ACTR.

Regardless of the contracting document used, the ACTR must be specifically referenced in the contract for the trade rules to apply.

1 Cattle contracting process

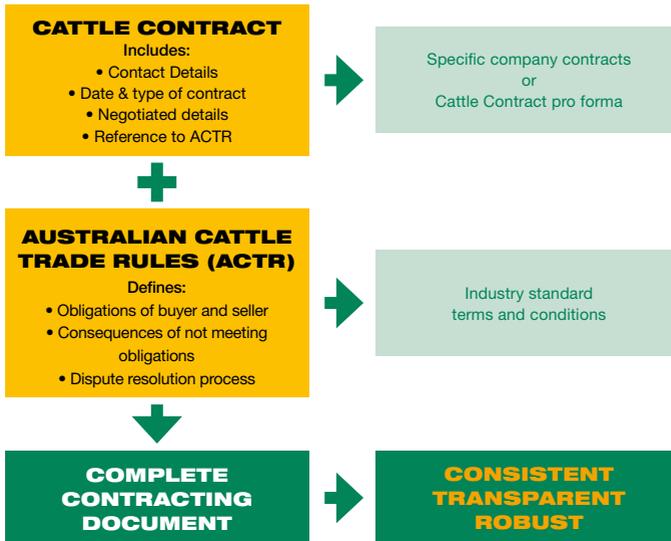
A complete contract document has two components.

- 1.1 **The contract** – This may be a contract prepared by individual companies or livestock agents or it may be based on the Cattle Contract pro forma.

It will contain details of the contracting parties and agent (if one is used), along with the details negotiated between the parties, such as cattle type, quantity, price and delivery point.

- 1.2 **ACTR** – Regardless of the contracting document used, the ACTR must be specifically referenced in the contract for the trade rules to apply.

Figure 1. Components of a contract





2 Before beginning negotiations

- 2.1 Background check the other party and ensure that you enter into a contract with a person or a company rather than a business name. Be confident with the company you intend to deal with.
- 2.2 Have a pen and paper ready. Record the details of the contract, preferably in a daybook or diary. Arbitrations can be won and lost depending on what is in your daybook.
- 2.3 Understand your commitment. From a commercial perspective, a forward contract is a productive marketing tool that can be used to minimise price fluctuation risk. From a legal perspective, a contract is a legally binding document that must be fulfilled.

You should exercise caution when committing to supply cattle. There are likely to be financial consequences if you fail to fulfil a contract.

- 2.4 Understand the process of contracting. At this point it is worth looking at a simple legal explanation of a contract:

A contract may be defined as an agreement between two or more persons, which is legally enforceable. Two or more minds will have come together and agreed upon the doing of prescribed acts by each of them. In its unexecuted form, the contract is known as an executory contract.

A contract can be made wholly in writing or wholly verbally. It can also be a mixture of oral and written terms. The acceptance of a contract must be communicated to be effective. This communication may be expressed verbally, that is, by agreeing to the contract over the phone, in writing or by the conduct of the parties to the contract.

3 Negotiating the contract

- 3.1 Record the time, name and title of the person you are speaking to in your diary or daybook.
- 3.2 Record the details of the contract so you have a record of what was agreed.
- 3.3 You should consider:
Contract type – confirm whether the contract is a fixed price or formula price contract.

Cattle specification – confirm the cattle type, target weight range, age and any quality specifications. Standard AUS-MEAT language is used to specify quality attributes such as muscle score, fat score, frame score and dentition. Other specifications may include breed, *Bos Indicus* percentage or pregnancy status.

Price – confirm the price and that it is GST exclusive.

Price basis – confirm whether the price is in ¢/kg liveweight, ¢/kg carcass weight or \$ per head, and delivery point.

Price adjustments – confirm what price grid and discounts will apply for cattle delivered outside the agreed specification.

Quantity and tolerances – confirm the amount of cattle to be delivered, either specifying an exact number of head of cattle or an approximate number of kilograms, and any tolerances in place in regards to the quantity. Where the contract specifies weight, confirm the means and place of weighing.

Delivery period and site – this is simply the period in which the cattle must be delivered, and the agreed delivery location. It is assumed that transport to the delivery site is covered by the seller, and post-delivery by the buyer. As risk passes from the seller to the buyer at delivery, make sure that the delivery site is clearly specified.



Agent – specify whether an agent is being used, and on what basis. *Del credere* is defined as an agent who sells products and/or services for another party for a fee, and guarantees payment to the seller. If an agent acts as *del credere*, the rights of the seller are assigned to the agent. This is the usual agency arrangement in the Australian cattle industry. If an agent is to be used, the agent must sign the contract.

Assessors – confirm the details of assessors to be used if required. Ensure you are confident that the assessors are qualified to accurately assess the quality traits specified in the contract.

Payment terms – confirm when payment is due and specify any agent's commission or costs.

Passing of title – specify whether title passes on full payment, on delivery or at an alternative time. Unless otherwise specified, passing of title will occur on full payment of cattle in accordance with the ACTR.

Passing of risk – Unless otherwise specified in the terms of trade, passing of risk will occur on delivery of the cattle in accordance with the Trade Rules.

Default procedures – clarify the default procedures applicable if you are unable to deliver the cattle as per the specifications of the contract (eg any liquidated damages).

Dispute resolution – you should also clarify the dispute resolution mechanisms in place to deal with any contract conflict. This should be stated on your contract confirmation advice.

- 3.4 If you are using other contract documents instead of the Cattle Contract pro forma, make sure you specifically reference the ACTR in your contract. This will ensure that both parties are bound by the trade rules for that contract.

If you receive the contract from the other party, check whether or not the contract references the ACTR.

GTA recommends that the following clause be used.

“This contract expressly incorporates the Australian Cattle Trade Rules and GTA Dispute Resolution Rules in force at the time of this contract. Any dispute, controversy or claim arising out of, relating to or in connection with this contract, including any question regarding its existence, validity or termination, shall be resolved by arbitration in accordance with the GTA Dispute Resolution Rules in force at the time of contract.”

You should also compare your other contract documents with the ACTR to make sure the terms and conditions are aligned. If any of the terms differ, you will need to either (a) adjust your contract document or (b) specify variations or exemptions to the Trade Rules in the contract (see 3.5 below).

In the event of inconsistencies between the contract and the ACTR, the terms of the contract will prevail.

- 3.5 Contracts are open to negotiation. You have the right to negotiate on any points of the contract. For example, you may wish to negotiate payment terms.

However, always bear in mind that any alterations to the contract must be agreed to by all parties. Any conditions of sale that haven't been contemplated elsewhere, or variations or exemptions to the Trade Rules are usually noted in an 'Other Contract Terms and Amendments to Trade Rules' section of the contract document.

- 3.6 Ensure that you are conversant with the terms and conditions. If you do not understand something within the terms and conditions of the contract, do not agree to the contract until the points in question are clarified.



4 Receiving and confirming the contract confirmation

- 4.1 While it is 'best practice' for both parties to execute the same contract document, it is common that both parties prepare and exchange a contract confirmation.
- 4.2 Whether you prepare the contract document, or receive one from the other party, you should read and check the contract details against the notes you recorded during your conversation with the other party.
- 4.3 Ensure the contract confirmation and your diary notes align on the points outlined in 3.3 above.
- 4.4 If you notice any discrepancies, contact the other party immediately to resolve them. If you remain silent you may be bound by a term you did not agree to.
- 4.5 If you are unsure about a term or condition, contact the other party and have it explained.
- 4.6 Seek legal advice if you are still unsure.
- 4.7 After receiving and confirming the contract confirmation, ensure you document/diarise (in daybook or diary) any changes made in subsequent conversations with the other party. These, too, should be confirmed in writing as soon as possible.

5 Returning the contract confirmation

Even though you can be bound without signing the contract confirmation, the terms of the agreement will be more clearly documented and understood if the contract is signed and returned. You are more likely to be able to resolve a dispute if you have a signed contract. When you are satisfied with the contract confirmation, sign it and return it to the other party. This should be done within 24 hours of receiving the contract confirmation.

Remember, a verbal contract is legally binding. Not signing the contract confirmation does not alter its legal status. However, it's good practice to sign it.

6 Communication

It is important that the details gathered about the contracting parties are correct and complete, as each party has a legal responsibility under the contract. It is also important that all details for communications (eg postal address, phone, fax and email addresses) are also captured.

Good communication is essential to ensure that the contracted activities, such as delivery and payment, can be planned and discussed during the term of the contract and any potential problems dealt with as early as possible.

7 Contract issues

If you suspect that you might have any issues fulfilling any obligation under the contract, it is imperative that you discuss the possible issue with the other party as soon as possible. The other party may be more amenable if they are warned as soon as you suspect an issue.

8 Payments

Confirm payment has been made on previously agreed terms.

9 Resolving disputes

You can minimise disputes if care is taken when reading and understanding the contract details. More often than not, disputes arise because of some disagreement as to the terms of the contract, including whether there is a contract or not.

However, if a dispute arises you should:

- 9.1 Check internal and external dispute resolution terms specified in your contract.
- 9.2 Seek resolution from the person you originally negotiated with. Failing that;
- 9.3 Seek a resolution with their superiors. Failing that;
- 9.4 Use the structured arbitration process of GTA and seek resolution. Failing that;
- 9.5 Seek legal advice and resolution through the court system.

It is important that you understand your dispute resolution options prior to signing the contract.



10 Cattle contracts and dispute resolution

10.1 **Introduction** – GTA offers a robust, cost-effective and efficient framework for resolving issues with contract default. Parties to contracts incorporating the ACTR are obliged to refer any dispute to GTA for settlement under the GTA Dispute Resolution Service.

10.2 The following publications are available from the GTA website (www.graintrade.org.au)

- ✓ A guide to taking out contracts for cattle
- ✓ Australian Cattle Trade Rules
- ✓ Cattle Contract pro forma
- ✓ GTA Dispute Resolution Rules
- ✓ GTA Arbitration Guidelines
- ✓ Request an arbitration with GTA

10.3 I haven't signed anything – can I still have a contract?

If you're in doubt, you should consult your solicitor. The fact that you haven't signed anything does not necessarily mean you don't have a binding contract. The word 'contract' refers to a legally enforceable agreement between two or more parties, not a piece of paper with signatures on it. A contract may be in writing, however it may also be verbal (or a combination of the two).

A binding contract can, for example, be created over the telephone. In this case it is customary for the buyer to send a document (sometimes called a 'contract confirmation') to the cattle supplier, which is intended to confirm the details of the agreement reached by phone. A cattle supplier can also confirm a contract with a buyer.

The fact that such a document is not signed does not mean that no contract has come into existence.

Any party who receives a contract confirmation should, as a matter of priority, check the details to ensure they accurately reflect the telephone conversation. In the instance of a discrepancy, you should immediately contact the counterparty to resolve the difference.

If either the buyer or seller fails to send a confirmation, then the confirmation sent by the other party will be deemed to accurately reflect the terms of the contract (Reference Australian Cattle Trade Rule 1.1).

10.4 **Where do I obtain independent advice about the ACTR?**

Cattle contracts are legal agreements and professional legal advice should be sought where clarification of an issue is required. Independent cattle advisors and agents may also be of assistance for issues not requiring legal advice. Please note that GTA, its directors, committee members and arbitrators are unable to provide advice in relation to current or potential disputes in which you may be or become involved.

10.5 **What is the legal standing of the GTA dispute resolution process? Is a GTA award recognised by the courts?**

GTA arbitrations are subject to the provisions of the GTA dispute resolution rules and the Commercial Arbitrations Acts in all states of Australia and can be appealed at court. Arbitration awards are no less enforceable than judgements of the courts. To date, the courts have dismissed all challenges to GTA arbitrations.

10.6 **Do I have to go to arbitration if I haven't signed anything?**

This is something you should discuss with your solicitor. An agreement to arbitrate disputes is binding and enforceable in a court. As detailed previously, the contract may stand even without the provision of signatures on the contract confirmation from one or both of the parties.

If the contract references the ACTR, then disputes must be referred to GTA in the first instance (reference Australian Cattle Trade Rule 16). By not participating in the arbitration, your argument is unable to be heard by the arbitrators. It is also possible to go to arbitration without admitting that you have a contract. It is possible to ask the arbitrators to dismiss any claim on the basis that you didn't enter into a contract in the first place.

10.7 **Is arbitration expensive?**

There are fees associated with GTA arbitration. GTA tries to ensure the overall costs of GTA arbitration are no more expensive than going through the courts. GTA also endeavours to make arbitration reasonably quick – a distinct advantage over the court process. GTA arbitration is 'peer' arbitration conducted by Australian cattle industry participants.

10.8 **Can I recover my arbitration costs if I'm successful in arbitration?**

Yes. Most parties, in their submission to the arbitration panel, claim recovery of legal and arbitration costs.

10.9 Is GTA arbitration compulsory, and is it binding?

If you are party to an arbitration agreement referring disputes to GTA arbitration, then yes, it is binding. This will be the case if your contract incorporates the ACTR. If you change your mind and you don't wish to arbitrate, you must secure the agreement of the other side.

Similarly, even if there is no arbitration agreement in your contract, you may still decide to ask GTA to conduct arbitration but you will need the consent of the other party. A GTA arbitration award is binding and enforceable. GTA arbitration awards have been upheld and enforced by the courts.

10.10 Can GTA give me advice about my rights and obligations under the Australian Cattle Trade and GTA Dispute Resolution Rules?

GTA isn't equipped to give advice about how the Trade Rules will be applied and what your rights might be under a GTA contract or arbitration. As the administrator, GTA must remain impartial as it is their Trade and Dispute Resolution Rules that become part of your contract. Your solicitor would be able to advise you.



Glossary - common contract terms

The following is a guide to the standard terms and conditions included in the ACTR and that are commonly applicable to contracts created to purchase cattle.

Alteration of contract: Any change to the contract must be by mutual consent of the parties. Changes should be documented in writing and signed by both parties.

Confirmation: Sending a confirmation of the trade is good practice, but in any event, if either the buyer or seller fails to send a confirmation, then the confirmation sent by the other party will be deemed to be the terms for the transaction.

Curfew: In the ACTR, the curfew is to be agreed between the parties and specified in the contract. However, in the event the curfew process is not specified, the default process is that cattle are to be curfewed for approximately 12 hours, with no access to feed, before live weighing.

Default: An event of default is a circumstance where either the buyer, or the seller, can not perform according to the contract.

- (a) In the event of default, the parties may (but are not committed to) see if they can accommodate the event by either mutually altering the contract, or by arranging that the defaulting party financially compensates the non-defaulting party. Importantly, the non-defaulting party does not have to accept changes to the contract.
- (b) If a company becomes aware of the existence of an event of default or some other contract breach, it must notify the other party as soon as practicable.
- (c) In the event of default, the non-defaulting party may terminate the contract by notifying the defaulting party. Termination of the contract does not prevent the non-defaulting party from seeking a remedy to the default.
- (d) The non-defaulting party has the right to recover losses from the defaulting party due to breach or failure of the contract.

Del credere: An agent acting in the capacity of del credere (the usual agency arrangement in the Australian cattle industry) shall effectively have the rights of the seller.



Delivery: The seller must deliver, at its cost or as agreed, the deliverable quantity of cattle to the delivery site.

A seller may withhold further delivery of cattle based on the lack of payment by the buyer on the current, or a previous, contract.

Disputes: Any dispute not able to be resolved between the parties must be referred to arbitration in accordance with the dispute resolution rules of GTA, before any other legal proceedings are initiated.

Under the GTA process, disputes are arbitrated by a committee of cattle industry peers. The process is designed to promote the saving of time and expense, by avoiding litigation, reducing friction between industry participants, preventing misunderstandings and adjusting unsatisfactory conditions.

Force majeure: Refers to a circumstance that makes the proper or timely completion of the contract difficult or impossible. It must be an unforeseen circumstance that is beyond the control of either or both parties.

Neither the buyer nor the seller shall be liable to the other under *force majeure* circumstances. Importantly, the advent of drought, though it may be specifically unforeseen, is a typical element of the cattle industry landscape and can be planned for as a contingency. As such, it is not considered a cause of *force majeure*.

Unless otherwise mutually agreed, if a party is delayed or prevented (or anticipates being delayed or prevented) from meeting its contractual obligations due to an event of *force majeure*, it must notify the other party, as soon as possible, of the event of *force majeure*. The notice should include the date and location of the event, how it has impacted on the ability to meet contractual obligations, the likely duration (if relevant) and how the party intends to alleviate the effect of the *force majeure*.

If the likely delay in contractual performance is greater than seven calendar days from the date of the *force majeure* event, the contract will come to an end and both parties will be relieved of their obligations without liability.

If the delay is less than seven calendar days the party who did not invoke *force majeure* has the option to either affirm the contract and call for performance as soon as is practicable, or terminate the contract with immediate effect and without liability to either party.

Liquidated damages: This clause of the ACTR states that, if a party defaults, the non-defaulting party has the right to recoup the difference between the original agreed contract price and the Fair Market Price (FMP) for the undelivered proportion of contracted cattle.

Under this clause, the non-defaulting party must make a request for the liquidated damages (including the amount) within seven calendar days from failure to deliver or take delivery. The defaulting party is then legally obliged to pay the liquidated amount within seven calendar days of receiving the notice.

The FMP can either be:

- the price at which the non-defaulting party bought / sold (in the market) the undelivered component of the contracted cattle (within seven calendar days after the delivery date); or
- the price offered in the market on the business day following the day on which the defaulting party gave notice.

The liquidated damages claim must be a genuine estimate in order for the liquidated damages clause to be enforced.

If there are any disputes about the FMP, the defaulting party has the right to enter dispute resolution.

Under the 'No Limitation' clause, the liquidated damages clause does not prevent the non-defaulting party from making a claim over and above the liquidated damages claim.

National Vendor Declaration (NVD): The seller is responsible for supplying any information in the NVD, in complete and correct form.

Passing of title and risk: Passing of title specifies at which point the legal title (ownership) of the cattle goes from seller to buyer. Importantly, it is when the buyer accepts the liability for, and therefore the insurable interest in, those cattle. The ACTR stipulate that title will pass once full payment is received.

Under the trade rules, if the cattle are delivered to the buyer before full payment is received, the buyer does not acquire title to the stock, and must act according to the trade rules.

If both parties wish to override this clause, for example to pass title at delivery, they must specify this in the contract.

Under the Trade Rules, risk passes from the seller to the buyer on delivery.

Price & payment: The buyer must pay the seller the agreed price for the cattle delivered in fulfilment of the contract. The price stated in the contract is exclusive of GST.

If the cattle specification differs from that agreed in the contract, the price will be adjusted according to the amounts specified in the price/quality grid and/or discounts table included in the contract.

Quantity: The deliverable quantity is the number of head or weight of cattle (liveweight or HSCW), specified in the contract, to be delivered by the seller.

Quality: The cattle to be delivered need to meet the quality specifications agreed in the contract. If there needs to be an assessment of the cattle to determine the quality, the assessment must be carried out by one or all of the assessors noted in the contract. Unless otherwise stated, assessment will be at the seller's cost.

Rejection: The buyer can not reject the cattle being delivered if the delivery circumstances and specification of the cattle are as outlined in the contract.

Rejection of delivered cattle does not release either the buyer or the seller from their obligations under the contract. As such, the seller will have to present other cattle to fulfil their obligations and the buyer will be bound to receive them (if still within the timeframe of the contract delivery).

Weight: Variations in the weight per head of cattle delivered will result in a price adjustment as specified in the price/quality grid and/or discount tables detailed in the contract.

NOTE: This brief explanation of the standard terms and conditions contained in the ACTR does not constitute, replace nor alter any legally created standard terms and conditions of any contract between a buyer and a seller.





Published by Meat & Livestock Australia
ABN 39 081 678 364
Published February 2010
© Meat & Livestock Australia Limited 2010
ISBN 9781741913705



Some of the information contained in this guide is provided with the permission of Grain Trade Australia Ltd. Grain Trade Australia Ltd's contribution is acknowledged and appreciated.

MLA makes no representations and to the extent permitted by law excludes all warranties in relation to the information contained in this publication. MLA is not liable to you or to any third party for any losses, costs or expenses, including any direct, indirect, incidental, consequential, special or exemplary damages or lost profit, resulting from any use or misuse of the information contained in this publication.



Meat & Livestock Australia
Level 1, 165 Walker Street
North Sydney, NSW, 2060
Tel: 02 9463 9333
Fax: 02 9463 9393
Email: info@mla.com.au
www.mla.com.au