



Stock Sale and Purchase Agreement

The following notes and the associated Stock Sale and Purchase Agreement are offered as a guide to NZHCS members. Remember that each individual sale has a unique set of circumstances and members should carefully consider the conditions of sale that will protect both the vendor and purchaser.

BUYING OR SELLING HIGHLAND CATTLE

Things to Remember

PARTIES Make sure you accurately know who the vendor and the purchaser are.

Why? When it comes to any legal argument the person you are dealing with may not be the legal entity that the transaction should be with.

BACKGROUND Have some time in your discussion (as vendor or purchaser) that is specifically about the terms under which you are selling or buying the stock.

Why? Buying and selling highland cattle is often an emotive time and it is only after you get home that you start the questions – did I say it was inclusive of GST? Exactly which animal did I say I wanted to buy? Etc.

MATTERS AGREED

1. Be specific about the animal, the price, when payment is due and if it is inclusive or exclusive of transport, grazing costs any vet charges or GST.
2. Deposits are a good way of ensuring the transaction will go ahead.
3. A date on which ownership passes must be agreed. This could differ from the physical date the animal is transported.
4. You may wish to include penalty interest for late payment.
5. Be specific about who has responsibility for stock transport and associated insurance. If you arrange transport and insurance make sure you document what has been arranged and at what point responsibility, ownership and costs become the Purchaser's responsibility.
6. Are there any costs associated with grazing for the time between purchase and transporting the animal out?
7. What happens in the time between the Purchaser seeing the stock and settlement can be problematic with animal health being the main issue.
8. What happens about cows sold on the basis of in-calf but subsequently not in calf? Or bulls subsequently found to be infertile.

9. How will you handle disputes and their resolution?
10. Remember as a Purchaser it is your responsibility to select stock wisely.
11. Agreeing on a vet (and who pays) if one is needed before and after the purchase is settled and ownership changes hands

SPECIAL CONDITIONS There could be a number of other issues you may need to document.

E.g. you may place restrictions on the use of a bull or a cow.

or

The purchaser may require some provision that if, for any reason, the stock is proven later not in good health, or unable to calve, that the vendor agrees to some remedial action. The template attached does not provide for this.

or

If the sale is to a non New Zealand purchaser then you may need legal advice as to which country's law is applicable.

BUT remember the simpler the agreement (but still a comprehensive agreement) the better.

These notes and the sale and purchase agreement template are offered conditionally. The New Zealand Highland Cattle Society accepts no liability in their use.

It is your sale or purchase and it is you that needs to make sure that the conditions meet your requirements.