

Technical Information Circular # 12

CUSTOM GRAZING & PASTURE RELATED FEED COSTS

Custom Grazing

Custom grazing is allowable in the AgriStability Program, if the following conditions are met:

- 1) The custom grazing operator assumed responsibility for the feeding, health and/or safety of the livestock;
- 2) The custom grazing operator charged fees on a weight gain or on a daily per head basis; and
- 3) The expense claimed reasonably approximates the value of the replaced feed.

To verify reported custom grazing income or expenses, the Administration may require a written agreement or other supporting documentation.

Unlike custom feeding operations, yardage fees are not assumed to be included in custom grazing income.

Pasture Related Feed Costs (2026 Program Year forward)

For operations that rent pastureland for grazing, the expense associated with the rent or lease is allowable where the participant can demonstrate that the transaction is for access to livestock feed, not for crop or forage production. The expense must be reflective of a reasonable feed volume for the animals grazed. Feed provided by landlords for grazing may include perennial crops (such as native grasses, forages), crop residue (stubble, chaff) or annual crops (such as corn, barley, oats). In all cases, the landlord actively manages the resources of the land base or is providing access to their land for grazing and the livestock owner actively manages the animals while on the rented or leased pastureland.

For program purposes, where the landlord is providing access to crops, standing or in swath, for which they have incurred allowable expenses, the rental income will be included as an allowable commodity sale. All other income received by a landlord for grazing is considered non-allowable rental income unless it is custom grazing, see above.

To ensure consistent treatment between the 2026 program year and reference years, participants must provide pasture related feed costs and any related accruals, if applicable, for each reference year.

Capital purchases of pastureland and any related interest expenses are considered non-allowable.



Custom Grazing & Pasture Related Feed Costs

Commodity	Landlord - Income	Tenant - Expense*
Custom Grazing – landlord actively manages resources, feed costs charged on per head per day	Allowable income – coded to custom feeding income	Allowable expense – coded to custom feeding expense
Pasture – private rental, grazing lease, or community pasture	Non-allowable income for eligible participants	Allowable expense (2026 forward) – tax code 586
Annual or perennial crops – standing or in swath, produced by landlord - grazed (not custom grazed)	Allowable income – coded to commodity (i.e. corn, barley, forage)**	Allowable expense – coded to commodity (i.e. corn, barley, forage)** -- OR -- Allowable expense (2026 forward) – tax code 586***
Annual crops – residue (stubble, chaff) produced by landlord	Non-allowable income	Allowable expense (2026 forward) – tax code 586
Land rented to produce crops or forage by tenant	Non-allowable income	Non-allowable expense

*Must be reflective of reasonable feed volume.

**Amounts reported on tax as commodity income or expense should also be recorded on Schedule 2 as purchased and/or sold.

***When grazing over year-end.

No change for producers that own pasture.

- See 4.3 Allowable and Non-Allowable Income and Expenses section of the AgriStability: Sustainable Canadian Agricultural Partnership - Program Guidelines.

