



NATIONAL GRAIN AND FEED ASSOCIATION

Arbitration Decisions

February 20, 1979

ARBITRATION CASE NUMBER 1549

Plaintiff: Fred Webb, Inc., Greenville, North Carolina

Defendant: B.M. Hancock & Sons Feed Mill, Inc., Bonlee, North Carolina

The case involved a dispute on an increase in freight rate that amounted to \$1337.93.

The Plaintiff, Fred Webb, Inc. sold to the Defendant B.M. Hancock & Sons Feed Mill, 4 (four) mults about 40,000 bushels of 2 YC (4% BCFM) delivered Bonlee, North Carolina shipment 1 per week October 1977. Neither party recalled discussing responsibility for freight increases or decreases at time of trade but both parties agreed that responsibility for freight rate increases or decreases is normally (established trade practice in Southeast) for the account of the buyer. At the time of the trade both parties were aware of the proposed seasonal freight rate increases and that attempts were being made to disallow the increases. There was no discussion at time of trade as to origin of the corn. B.M. Hancock & Sons Feed Mill felt that the shipments would originate within North Carolina and due to the fact intra-state rates were not increased there would be no extra charge. Fred Webb, Inc. sent out written confirmation of trade but B.M. Hancock & Sons Feed Mill did not send out a confirmation.

The committee, by unanimous agreement, found in favor of the Plaintiff Fred Webb, Inc. based on the following:

A. Basis rule 6 only Plaintiff Fred Webb, Inc. sent out confirmation and no restriction noted as to origin of corn. Since the buyer was aware of the proposed freight rate increase and the fact intra-state rate was suspended it was the committee's opinion that this should have been discussed and made part of the contract.

B. Both parties agreed that responsibility for freight rate increases or decreases are normally for the account of the buyer. Since both parties were aware of the proposed increase any exception should have been part of the trade.

Therefore the committee ordered B.M. Hancock & Sons Feed Mill, Inc. to pay Fred Webb, Inc. \$1337.93.

Arbitration Committee of the National Grain and Feed Association.

/s/ Richard A. McIward, Chairman
Bunge Corporation
St. Louis, Missouri

/s/ Gary Marshall
Lansing Grain Company
Lansing, Michigan

/s/ Harold Johnson
Ranchway Feed Mills
Fort Collins, Colorado