



NATIONAL GRAIN AND FEED ASSOCIATION

Arbitration Decisions

August 20, 1981

ARBITRATION CASE NUMBER 1562

PLAINTIFF: Farmers Grain, Douglas, Georgia

DEFENDANT: Louis Dreyfus Corp., Shawnee Mission, Kansas

Statement of Case

The case involved a dispute over applicable inspection certificates and the 50¢ per bushel discount assessed account crotalaria on 10 cars of soybeans totaling \$15,672.22. The 10 cars were applied against 165,000 bushels purchased by defendant from plaintiff June 7, 1979. Terms of the contract in which this committee was interested were "First Class A Inspections to Govern" and application "To be free of crotalaria."

The original case involved four areas of dispute but defendant elected to settle three of those areas without arbitration. In the fourth disputed area plaintiff stated that defendant "varied from the terms of the original instrument and demanded destination inspections, in addition to origin inspections," which defendant did not dispute. Thus plaintiff argued destination inspections should govern. Defendant argued that origin grades apply per contract terms. Plaintiff also disputed the 50¢ per bushel discount assessed against the contents of the 10 cars.

It is apparent according to submitted arguments that:

- 1) Plaintiff did not abide by Grain Trade Rule #19 by advising defendant origin grades.
- 2) Defendant unloaded the beans but failed to notify plaintiff destination grades with applicable discounts per Grain Trade Rule #17.

Decision

Since it is apparent that neither party to this arbitration reported grades as prescribed in the Grain Trade Rules, and since applicable grades were in question, and the 50¢ per bushel discount was questionable, the unanimous decision of the committee was that the 10 cars of beans should be discounted at 25¢ per bushel. Accordingly, plaintiff was directed to settle with defendant by payment of half the claim viz \$7,836.11 plus interest to date of payment of the award, since plaintiff had the use of those funds. Interest shall be figured from March 1, 1980 at 16 3/4% which was the prime rate on that date.

/s/ R.T. Creekmore, Chairman
Indiana Grain Queen City Elevators
Cincinnati, Ohio

/s/ Dewayne Bloem
Alden Cooperative Elevator
Alden, Iowa

/s/ William Ritchie
Cargill, Inc.
Cincinnati, Ohio