



National Grain and Feed Association Arbitration Decision

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September 23, 2026

CASE NUMBER 3010

PLAINTIFF: PARRISH AND HEIMBECKER, LTD., LACOMBE, ALBERTA, CANADA

DEFENDANT: KARY LAND & GRAIN LTD., VETERAN, ALBERTA, CANADA

STATEMENT OF THE CASE

This case involved two contracts between the plaintiff, Parrish and Heimbecker, Ltd. (P&H), and the defendant, Kary Land & Grain Ltd. (Kary).

The contracts involved in this case are as follows:

- Contract 309778, dated January 12, 2021 – 650 Metric Tons (MT) #1 Canada Western Barley – delivery September 2021; contract 309778 was confirmed by Kary via e-mail on January 12, 2021. 426.184 MT was delivered.
- Contract 315224, dated February 3, 2021 – 1,307 MT #1 Canada Western Barley – delivery December 2021; contract 315224 was confirmed by Kary via e-mail on February 3, 2021. There was no delivery on this contract.

Weather-related discussions started in August 2021, with field visits involving all parties. No actions were taken. Deliveries on contract 309778 were made in September 2021. There were no deliveries made on contract 315224

The balance of contract 309778 was cancelled by P&H on September 29, 2021, at \$8.75 per bushel.

Contract 315224 was cancelled by P&H on November 3, 2021, at \$8.75 per bushel.

THE DECISION

The arbitrators unanimously rule in favor of P&H.

P&H made field visits to Kary and knew of the crop shortages in the area. When P&H knew Kary would no longer be delivering barley, P&H cancelled the contracts.

Kary's arguments are vague. Kary was speculative and hopeful that future prices would change, making cancellation of the contracts less costly.

Kary defaulted on the contracts, and P&H followed the correct protocols under the NGFA Trade Rules in cancellation of the contracts given the circumstances.

The arbitrators award P&H damages based on the following table:

Contract #309778		
Undelivered Units	223.82	Cancellation #10065535 Exhibit 8A
Contract Price	241.13	Cancellation #10065535 Exhibit 8A
Recovered Units	44.00	Contract #342467 Exhibit 8B
	44.00	Contract #342465 Exhibit 8B
	84.00	Contract #342464 Exhibit 8B
Total Recovered	172.00	
Avg. Recovered Price	401.89	
Unrecovered Units	51.82	Difference in undelivered & total recovered
Market v. Contract Price Difference	160.76	
Unrecovered Units Value	8,330.58	Price Differential x Unrecovered Units
Recovered Units Price Differential Owed	27,650.72	Price Differential x Recovered Units
Contract #309778 Owed	35,981.30	
Admin Fees for Contract #309778	2,238.16	
Total owed for Contract #309778	38,219.46	
Contract #315224		
Undelivered Units	1,307.00	Cancellation #10066460 Exhibit 10A
Contract Price	275.40	Cancellation #10066460 Exhibit 10A
Recovered Units	26.00	Contract #34664 Exhibit 10B
	220.00	Contract #347259 Exhibit 10B
Total Recovered	246.00	
Avg. Recovered Price	401.88	
Unrecovered Units	1,061.00	Difference in undelivered and total recovered
Market v. Contract Price Difference	126.48	
Unrecovered Units Value	134,195.28	Price Differential x Unrecovered Units
Recovered Units Price Differential Owed	31,114.08	Price Differential x Recovered Units
Contract #315224 Owed	165,309.36	
Admin Fees for Contract #315224	13,070.00	
Total owed for Contract #315224	178,379.36	

THE AWARD

The arbitrators award 216,598.82 CAD to Parrish and Heimbecker Ltd. from Kary Land & Grain Ltd. Interest shall accrue on the award at a rate of 3.50 percent, pursuant to NGFA Arbitration Rule 6(F), from the date of this decision until it is paid in full.

Decided: March 26, 2025

Submitted with the unanimous consent of the arbitrators, whose names appear below:

Chris Breedlove, *Chair*
General Manager and CEO
Willacy Co-op
Raymondville, TX

Jason Halm
Regional Manager
Viterra
Omaha, NE

Tess Jarmin
Grain Procurement Manager
United Quality Cooperative
Ross, ND



September 23, 2026

ARBITRATION APPEAL CASE NUMBER 3010

Appellant/Defendant: Kary Land and Grain, Ltd., Veteran, Alberta, Canada

Appellee/Plaintiff: Parrish and Heimbecker, Ltd., Lacombe, Alberta, Canada

DECISION OF THE APPEALS COMMITTEE
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Arbitration Case 3010 was filed by Parrish and Heimbecker, LTD. (P&H) against Kary Land and Grain LTD. (Kary) for failure to deliver 1,957.000 Metric Tons (MT) of #1 Canada Western Barley (CW Barley) on two contracts. Contract 309778 called for 650.000 MT CW Barley to be delivered September 1 – September 30, 2021, and contract 315224 called for 1,307.000 MT CW Barley delivered December 1 – December 31, 2021. Kary could not complete delivery of the contracted barley within the delivery period due to a weather-related production shortfall. On November 2, 2021, P&H determined that Kary would be unable to complete delivery and subsequently bought in and cancelled the balances of the contracts on November 3, 2021. P&H sought 216,611.25 Canadian Dollars (CAD) in damages and administrative fees from Kary for default on the contracted quantity of barley that was not delivered.

The original three-member Arbitration Committee unanimously agreed that P&H was justified in cancelling the contract and awarded P&H 216,598.82 CAD. Kary subsequently appealed the decision and also requested oral argument before the Arbitration Appeals Committee.

The Arbitration Appeals Committee, both individually and collectively, reviewed all the arguments and supporting documents provided in the record of the case for Arbitration Case 3010, which includes the findings and conclusions reached by the original Arbitration Committee. The Arbitration Appeals Committee further reviewed the briefs of the appellant, and the appellee submitted in the appeal. An oral hearing was also conducted in this Appeal case in which both parties presented their arguments to the Arbitration Appeals Committee.

In every arbitration case, the duties of the arbitrators are to interpret the contract language and what is specifically agreed to between the parties particularly when those terms express contractual obligations that are different than the NGFA Trade Rules.

As detailed by the original Arbitration Committee, P&H and Kary verbally entered into P&H Contract 309778 on January 12, 2021, for delivery of 650.000 MT CW Barley at \$241.13 CAD/MT to be delivered during September 2021 to P&H's Joffre elevator facility. On January 12, 2021, P&H sent Kary an email asking that he confirm their contract to which Kary responded, "I confirm." P&H and Kary entered into another verbal contract (P&H Contract 315224) on February 3, 2021, for delivery of 1,307.000 MT CW Barley at \$275.40 CAD/MT to be delivered during December 2021 to P&H's Joffre elevator facility. On February 3, 2021, P&H sent Kary an email asking that he confirm their contract to which Kary responded, "I confirm."

NGFA Grain Trade Rule 3. Confirmation of Contracts: requires that both the Buyer and Seller send a written confirmation to the other party detailing the specifications of the trade. If either party fails to send a confirmation, the confirmation sent by the other party will be binding upon both parties. There was no documentation submitted in the Record of the Case that Kary sent a written confirmation. Therefore, the confirmation sent by P&H shall govern the contract that was formed between the Buyer and Seller.

The Arbitration Appeals Committee unanimously agreed with the original committee that contracts were formed between P&H and Kary.

The central issue in this arbitration is that Kary did not deliver the quantity contracted due to production issues. Kary recognized over the course of the summer of 2021 that adverse weather conditions were impacting the yield potential of the growing barley crop that had been contracted for delivery to P&H grain facilities in September and December 2021. Kary telephoned P&H on July 27, 2021, and expressed his concern about the impact the hot, dry weather was having on his crops. At the request of Kary, on August 3, 2021, representatives of P&H met and walked several fields farmed by Kary. The affidavit by a P&H employee submitted in the case states

We were looking at the potential yields and state of the barley fields. After completing the field walks and determining the current yield of the barley crops, we felt they would not be sufficient to fulfill the contracted amounts.

NGFA Grain Trade Rule 28. Failure to Perform (A) Seller's Non-Performance states:

If the Seller finds the Seller will not be able to complete a contract within the contract specifications, it shall be the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communications.

Kary gave verbal notice, but no written documentation was provided, that his crop likely would not fulfill the amount he had contracted. General Terms and Conditions (GTC) are printed on the back of P&H's Contracts 309778 and 315224. Item 7 reads as follows:

*If Seller finds he/she cannot deliver the contracted quantity, Seller shall immediately advise Buyer. If Seller fails to notify Buyer of their ability to complete the contracted delivery, Seller's liability shall continue until Buyer can determine whether Seller has defaulted. Buyer, when so notified or upon such determination, **shall by the close of the next business day elect either to:** (emphasis added) (a) agree with the Seller to extend the time of delivery; or (b) after having given notice to Seller to complete the contract, buy-in for the Seller's account the defaulted portion of the contract; or (c) after having given notice to Seller to complete the contract, cancel the defaulted portion of the contract at the difference between the contracted price and the replacement cost, plus an administrative fee of \$10 per metric ton. Seller shall pay to Buyer on demand the amount as may be determined under (b) or (c), as may be applicable.*

Kary told P&H that he would not be able to fill his contracted quantity because weather had likely cut his yield to one half of normal. This assessment of potential insufficient production was confirmed by P&H employees when they walked fields with Kary. P&H had to act immediately to elect option (b) or (c) of item 7 per its GTC language, but P&H failed to do so. Or as an alternative to cancelling the entire contracted quantity, P&H could have agreed with Kary to amend the original contracts and reduce Kary's contractual commitment. There was nothing presented in the record of the case that this was even discussed by either party.

Kary began delivering barley to P&H on September 13, 2021, and ultimately delivered 426.184 MT barley that was applied to Contract 309778. That left a contractual shortfall of 223.816 MT on Contract 309778. No barley was delivered by Kary to apply against Contract 315224. Kary argues that the contracts should have been washed using a June 7, 2021, barley price of \$275.40 CAD/MT (\$6.00/bu). The Arbitration Appeals Committee disagreed with Kary on this argument.

The Arbitration Appeals Committee also disagreed with the original committee that P&H was justified in cancelling the contract in November 2021. P&H, after receiving notice that Kary would not be able to fully deliver the contracted quantity of barley, did not follow its own contract language and cancel the contracts the following business day as the contracts required.

As is custom of the trade, price bulletins provided by disinterested third parties are often relied upon to determine fair market value in thinly traded markets where there may be large price differences between the bid price and the asking price. The Arbitration Appeals Committee relied upon a price bulletin, Alberta Farm Input Prices, published by the Government of Alberta. That bulletin lists Alberta Barley price for August 2021 at \$6.56/bushel or \$301.24/MT. This price was used by the Arbitration Appeals Committee to calculate damages on the contractual balance of the Barley that Kary did not deliver, as well as the \$10/MT administrative fee referenced in the contract, in the table below:

Contract Date	Contract Number	Commodity	Quantity Contracted (MT)	Delivery Period	Quantity Delivered by Kary (MT)	Contract Shortfall (MT)	Contract Price CAD\$/MT	Market Price per Price Bulletin of Aug. 4, 2021	Market Difference	Total Dollars (MT X Market Difference)
1/12/2021	309778	#1 CW Barley	650.000	Sept. 1 – Sept. 31, 2021	426.184	223.816	\$241.13	\$301.25	\$(60.11)	\$(13,453.58)
		Administrative Fee per Contract Terms \$10.00/MT				223.816			\$(10.00)	\$(2,238.16)
2/3/2021	315224	#1 CW Barley	1,307.000	Dec. 1 – Dec. 31, 2021	0	1,307.000	\$275.40	\$301.24	\$(25.84)	\$(33,772.88)
		Administrative Fee per Contract Terms \$10.00/MT				1,307.000			\$(10.00)	<u>\$(13,070.00)</u>
Net Due (From) Kary										\$(62,534.62)

AWARD

The Arbitration Appeals Committee, by unanimous decision, awards Parrish and Heimbecker, Ltd. 62,534.62 CAD from Kary Land & Grain, Ltd. No interest or legal fees are awarded.

Decided: September 1, 2026

Submitted with the unanimous consent of the appeal arbitrators, whose names appear below:

Jay Mathews, *Chair*
CEO
Prairieview Grain Trading
Champaign, IL

Sean Broderick
Director of Risk
CHS, Inc.
Inver Grove Heights, MN

Craig Haugaard
Grain Division Manager
Superior Ag
Huntingburg, IN

Jean Bratton
CEO
Centerra Cooperative
Ashland, OH

Charles Elsea
Chief Strategy Officer
The Redwood Group, LLC
Salina, KS