



National Grain and Feed Association Arbitration Decision

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September 23, 2026

CASE NUMBER 3113

PLAINTIFF: THE ARTHUR COMPANIES, INC., AMERICAN FALLS, IDAHO

DEFENDANT: RYAN LLOYD, GRACE, IDAHO

STATEMENT OF THE CASE

This case involved four contracts between The Arthur Companies, Inc. (Arthur) and Ryan Lloyd (Lloyd).

- Contract number 160102303 – dated Dec. 28, 2020, for 25,000 bushels of soft white wheat
- Contract number 140104345 – dated Feb. 23, 2021, for 10,000 bushels of 2020 old crop dark northern spring wheat
- Contract number 160102372 – dated Feb. 23, 2021, for 10,000 bushels of soft white wheat
- Contract number 140104385 – dated April 12, 2021, for 12,000 bushels of soft white wheat

The contracts were written between Lloyd and Thresher Artisan Wheat (Thresher). Arthur acquired Thresher and the rights and obligations for these contracts in December 2021.

Arthur's claimed damages are in the amount of \$104,992.98 (sum of gross damages of \$103,641.45, plus interest of \$5,434.00, and less a credit of \$4,152.47 for Lloyd's partial performance).

The sequence of events leading up to the dispute are as follows:

- Contract 160102303 (Dec. 28, 2020) (Exhibit 2 of Arthur's first argument)

Thresher mailed to Lloyd a confirmation immediately after contracting. The confirmation was not signed by either party. Exhibit 5 of Arthur's first argument contains email correspondence between Thresher's grain merchant and Lloyd confirming delivery for July-August 2021 and a name change for the defendant under the contract. Lloyd did not deliver on this contract.

- Contract 160102372 (Feb. 23, 2021) (Exhibit 3 of Arthur's first argument)

Thresher mailed to Lloyd a confirmation immediately after contracting. The confirmation was signed by both parties. Lloyd did not deliver on this contract.

- Contract 140104385 (April 12, 2021)(Exhibit 4 of Arthur's first argument)

Thresher mailed to Lloyd a confirmation immediately after contracting. Neither party signed the confirmation. Exhibit 6 of Arthur's first argument contains text correspondence between Thresher's grain merchant and Lloyd confirming this contract. Lloyd additionally asks if a contract was sent, and Thresher's grain merchant confirmed the contract was mailed. Lloyd did not deliver on this contract.

The Terms and Conditions under contracts 160102303, 160102372, and 140104385 include:

ANY OBJECTION TO THIS CONTRACT MUST BE PROVIDED TO AGSPRING [subsidiary of Arthur] WITHIN TEN (10) DAYS OF YOUR RECEIPT.

This contract is also subject to the Trade and Arbitration Rules of the Nation Grain and Feed Association currently in effect, except to the extent the same are in conflict with the terms expressed herein. Interpretation and enforcement of this contract shall be subject to arbitration before the National Grain and Feed Association.

Subject to reciprocal margins.

On December 6, 2021, Arthur acquired Thresher and the rights to the undelivered grain contracts.

On May 10, 2022, Arthur's grain merchant emailed Lloyd that the contract confirmations had outstanding balances. Lloyd asked for the contracts, and Arthur's grain merchant reminded Lloyd that grain contracts are based on oral agreements and the parties had oral agreements on the contracts.

On July 1, 2022, Arthur's manager called Lloyd outlining the current understanding of the defaulted contracts.

On July 5, 2022, Arthur's manager sent Lloyd an email communicating Arthur's understanding of the contracts in default. Lloyd agreed to deliver the remainder due under contract 160102372 if Arthur priced any overage on the contract at \$8.00 per bushel and agreed not to discount based on protein or test weight.

On July 15, 2022, Arthur's manager asked Lloyd to perform on contract 160102372 as Lloyd had agreed to the validity of the contract.

On July 20, 2022, Lloyd asked to wash out any remaining bushels with the amount withheld.

On August 1, 2022, Arthur's manager offered Lloyd the option to roll the defaulted contracts or to buy back the contracts. Lloyd did not respond.

The main arguments by Arthur are as follows:

Contract 160102303 – The NGFA Trade Rules require the confirmation of trade to be sent by one party to the other by the close of the business day following the date of trade. If either party fails to send a confirmation, the confirmation sent by the other party will be binding upon both parties, unless the confirming party has been immediately notified by the non-confirming party. Thresher immediately sent confirmations of the contracts.

Contract 160102372 – Lloyd signed this contract and partially performed upon it.

Contract 140104385 – Lloyd did not sign this contract; however, he did not contact Thresher immediately after receiving the confirmation disputing it. Moreover, Lloyd did not object to Exhibit 2 within 10 days.

The main arguments by Lloyd are as follows:

- Contract 160102303 was with Lloyd Brothers, not Lloyd. There was no meeting of the minds between the parties.
- Lloyd is not still liable for the entirety of contract 160102372.
- Lloyd does not dispute the validity of 160102372, yet Arthur erred in determining the total amount owed on the contract.
- Lloyd delivered 2,067.33 bushels at a price of \$5.45 per bushel. Arthur owed Lloyd \$11,266.94 for the delivered bushels, which Arthur has not paid.
- Lloyd was unable to deliver the remaining 7,932.67 bushels. At the time of cancellation, the market price was \$7.03. The difference between the market price and contract price is \$1.58.
- Lloyd acknowledges he owes Arthur \$12,533.61 ($\$1.58 \times 7,932.67 = \$12,533.61$).
- Lloyd proposed to pay the difference in price to Arthur of \$1,266.67.
- Lloyd is not responsible for contract 140104385 as Thresher’s failure to provide written confirmation revoked the offer and Lloyd’s obligation to respond.
- Negotiations between the parties occurred on April 8-9, 2021. Lloyd had still not received any confirmation on April 14, 2021.

THE DECISION

The arbitrators reached the following conclusions:

Contract 160102303 – This is a valid and enforceable contract. Lloyd’s email correspondence confirms the validity of the contract and Lloyd’s intent to enter into the contract. Lloyd did not indicate any objection to the confirmation nor can it be inferred that Lloyd objected to the contract. Lloyd did not sign the contract; however, he also did not contact Thresher immediately after receiving the confirmation disputing it. Lloyd did not object to the confirmation. Exhibit 5 indicates that Lloyd agreed to the validity of the contract.

Contract 160102372 – Because Lloyd signed the contract and partially performed, the contract is valid and enforceable. The August 1, 2022 email does not serve as the date of cancellation. This correspondence was merely an offer by Arthur, and Lloyd’s failure to respond cannot constitute an agreement to cancel. The cancellation price is \$7.35 derived from the August 25, 2022, date of cancellation.

Contract 140104385 – The parties entered into an agreement via-text on April 9, 2021. Because Arthur sent a confirmation within the close of business day following the date of trade (April 12, 2021), this contract is a valid and enforceable contract. Moreover, Lloyd’s response with a “thumbs up” via-text is evidence Lloyd did not dispute the contract and would lead a reasonable person to believe that the parties were in agreement.

The arbitrators unanimously agree that Arthur is entitled to recover \$92,371.51 from Lloyd due to Lloyd's failure to perform on the contracts (\$103,641.45 less \$11,266.94 for the 2067.33 bushels that Lloyd has not yet been paid for).

THE AWARD

The arbitrators award \$92,371.51 to The Arthur Companies, Inc. from Ryan Lloyd.

No interest or legal fees are awarded.

Decided: March 26, 2025

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

Bruce Weber, *Chair*
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Inver Grove Heights, MN

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