



# National Grain and Feed Association Arbitration Decision

www.ngfa.org | www.ngfa.org/decisions

1400 Crystal Drive, Suite 260  
Arlington, VA 22202

P: (202) 289-0873  
F: (202) 289-5388

January 25, 2024

## CASE NUMBER 3127

**PLAINTIFF: CRYSTAL VALLEY COOPERATIVE, MANKATO, MN**

**DEFENDANT: TIMBER RIDGE FARMS, LLC, WASECA, MN**

### FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Crystal Valley Cooperative, requested the entry of a default judgment in the amount of \$34,600 against the defendant, Timber Ridge Farms, LLC. The default judgment is granted for the reasons set forth below.

The plaintiff submitted an arbitration complaint dated April 13, 2023, to the National Grain and Feed Association (NGFA). The complaint alleged that the defendant failed to perform on contracts HP017006924 and HP017007060 for #2 Yellow Corn.

The contracts were duly executed by the parties and stated under the “Purchase Contract Terms” as follows:

4. National Grain and Feed Association (NGFA) TRADE RULES: Except as otherwise provided herein, the NGFA Trade Rules shall apply to the transactions that are the subject of this Contract and this contract shall be arbitrated pursuant to the Trade Rules of the NGFA, but, however, those rules shall not apply if their application allows the Seller to profit from the Seller’s breach of contract. The Parties to this contract agree that the sole remedy related to this contract shall be through arbitration proceedings before the NGFA pursuant to the NGFA Arbitration Rules. The decision and award determined through such arbitrations shall be final and binding upon the Buyer and Seller, JUDGEMENT UPON THE ARBITRATION AWARD MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF.

Acting upon the plaintiff’s complaint, NGFA prepared an arbitration services contract and submitted it to the plaintiff for execution. By Federal Express dated May 19, 2023, NGFA also sent to the defendant a letter providing notice of these proceedings with copies of the plaintiff’s complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. Federal Express confirmed that this mailing to the defendant was delivered on May 24, 2023

Upon receipt of the duly executed arbitration services contract from the plaintiff, NGFA then sent it with accompanying correspondence to the defendant by Federal Express on June 9, 2023. Federal Express confirmed that this mailing to the defendant was delivered on June 13, 2023.

On August 18, 2023, NGFA sent to the defendant another letter by Federal Express. Federal Express confirmed this mailing was delivered on August 22, 2023. NGFA's letters of June 9 and August 18, 2023, to the defendant provided notice that Rule 2(E) of the NGFA Arbitration Rules required that the signed contract be returned within fifteen (15) days.

After not receiving any response from the defendant, NGFA sent another notice to the defendant on November 2, 2023, by Federal Express. This notice stated as follows:

NGFA Arbitration Rules 2(D) and (E) provide for the entry of a default judgment when a party fails to execute the arbitration contract and pay the service fee within fifteen (15) days. Based upon the lack of any response from you thus far, we must anticipate that you do not intend to respond. ***This is our last attempt to elicit a response from you. A default judgment may be entered against you at any time, which the Plaintiff may enforce in a court of law.*** [Emphasis in original].

Federal Express confirmed that this mailing was delivered to the defendant on November 7, 2023.

NGFA has not received an executed arbitration services contract from the defendant.

<b>DEFAULT JUDGMENT</b>
-------------------------

NGFA established jurisdiction over this matter pursuant to the express terms of the contract and by way of the plaintiff's status as an NGFA active member.

The plaintiff filed its complaint in conformity with NGFA Arbitration Rule 2(A). Pursuant to Rule 2(B), NGFA then submitted an arbitration services contract to the parties. Rule 2(D) states that, "Each party must return the completed arbitration services contract within 15 days from the date the party receives it from the NGFA Secretary." The plaintiff executed and returned the arbitration services contract. The defendant elected to not comply with the NGFA Arbitration Rules.

NGFA Arbitration Rule 2(E) provides for the following:

Where a party fails to execute the arbitration services contract or pay the arbitration services fee, the NGFA Secretary may without further submissions by the parties enter a default judgment or such other relief as the NGFA Secretary deems appropriate.

Pursuant to Rule 2(E), NGFA finds that entry of default judgment against the defendant is warranted.

NGFA Arbitration Rule 2(E) also sets forth the requirements and conditions under which, "[a]ny party against whom a default judgment has been entered may apply to vacate the default judgment within 15 days of entry of the default judgment." Further, NGFA Arbitration Rule 7 provides that a default judgment issued by NGFA may be appealed under the rules by either party.

<b>THE AWARD</b>
------------------

**THEREFORE, IT IS ORDERED THAT:**

1. The plaintiff is awarded judgment against the defendant for \$34,600.
2. Interest on the judgment shall accrue at the statutory rate available for judgments in the applicable jurisdiction from this date until paid in full. This award is not intended to preclude the plaintiff from pursuing an additional award for interest, legal fees or costs in a court of law.

Dated: December 8, 2023\*

**NATIONAL GRAIN AND FEED ASSOCIATION**

By: Charles M. Delacruz  
NGFA Secretary

\* On December 8, 2023, NGFA entered the default judgment against the defendant. The defendant was advised regarding the procedures for applying to vacate the default judgment, but the defendant did not apply to vacate the default judgment.