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National Grain and Feed Association
Arbitration Decision

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August 12, 2026

CASE NUMBER 3149

PLAINTIFF: ATLANTIC GRAIN AND TRADE, LLC, MOUNT PLEASANT, SOUTH CAROLINA

DEFENDANT: INGREDION INCORPORATED, LLC, ATLANTA, GEORGIA

STATEMENT OF THE CASE

This case concerns the purchase on July 29, 2022, of 2,640,000 lbs. of pea (pulse) flour at $0.10/lb. by Atlantic Grain and Trade, LLC (Atlantic) from Ingredion Incorporated (Ingredion). The contract terms provided for shipment of 60 loads *"packed in totes on pallets"* F.O.B. Shorewood, IL between August 2022 and June 2023, buyer's call. Subsequently, when shipments were delayed and price adjustments along with alternative origins were negotiated, this dispute arose over interpretation of the contract terms and determination of which terms would prevail in deciding the case.

On July 29, 2022, Atlantic emailed a purchase confirmation (P.O. number P5155) to Ingredion, which detailed on the first page that *"This contract shall be governed by the Trade Rules of the National Grain and Feed Association"* and made further specific reference to the NGFA Feed Trade Rules, including that the seller acknowledged familiarity with these rules. On both August 2 and 4, 2022, Atlantic requested that Ingredion sign and return P.O. P5155 as confirmation of the contract.

On August 2 and 4, 2022, Ingredion responded confirming the price and quantity only and communicating the contract had been sent to "legal" and "the higher ups" and was awaiting signature. Atlantic replied that the contract be executed and returned as soon as possible, and in the meantime, that Ingredion proceed with setting up a shipping profile although the parties did not yet have shipment dates.

On August 23, 2022, Atlantic applied for shipping, requested bills of lading and specified a destination in detail. Ingredion confirmed and added the destination pursuant to Atlantic's request.

On August 31, 2022, Atlantic requested shipment of the first load, and Ingredion confirmed by email providing order number 6286287. This document stated, *"Orders will be supplied in accordance with the Ingredion terms and conditions of sale."*

From September 1, 2022, through May 2023, loads were ordered to ship and then executed under this sale with no issue. In May 2023, Ingredion notified Atlantic that the U.S. Food and Drug Administration (FDA) was holding a shipment at the U.S.-Canada border. Ingredion noted it had alternative product it could apply to open orders and that it would keep Atlantic updated as the situation at the border progressed, but there would likely be a delay in product availability for the next few weeks. Loads continued to be ordered and executed through the first half of June 2023. Ultimately, 39 of the 60 loads were ordered to ship and executed under this sale with no issue.

On June 15, 2023, Ingredion loaded three more loads, but Ingredion began to experience (and clearly communicated to Atlantic about) repeated delays in shipment due to timing for test results; plant capacity; and switching of origins from Shorewood, IL to Vanscoy, Alberta, which involved extensive further delays at the U.S.-Canada border due to the hold by FDA.

On June 28, 2023, Ingredion notified Atlantic that Ingredion would not be able to ship for another 1½ weeks, outside of the original contract terms.

From then until the filing of this arbitration on February 14, 2024, the parties had multiple negotiations with various alternatives discussed. Among the alternatives discussed was cancelling and replacing – or extending – the previous sale at higher prices, including $0.205/lb., $0.225/lb., and $0.12/lb. FOB Vanscoy, Alberta. Ingredion, in none of these conversations, agreed to compensate Atlantic for price differences or freight spreads differing from the original purchase terms.

On December 18, 2023, Atlantic notified Ingredion that it intended to file under NGFA Arbitration. After further negotiations on February 14, 2024, Atlantic filed for arbitration seeking payment of $173,195 from Ingredion for contract cancellation and market replacement costs.

THE DECISION

In its claim, Atlantic references and relies upon NGFA Feed Trade Rule 3(B) [Confirmation of Contracts] and Rule 19 [Default on Shipping Schedule and/or Contract Shipping Period]. On this basis, Atlantic argues its terms should prevail in deciding this case, and it is entitled to cancellation charges.

In its arguments, Ingredion refers to its terms and conditions, which are referenced as links in each of its invoices.

Each email from Ingredion to Atlantic that related to shipping onward from August 31, 2022, included reference at the bottom of the message stating, *"Orders will be supplied in accordance with the Ingredion terms and conditions of sale."*

An electronic link was also provided in the email directing to additional terms from Ingredion, which specified that neither party would be liable for shipping delays or pricing issues that result from shipping delays. The additional terms also provided for F*orce Majeure* and eliminating of price exposure for the parties for multiple and various causes.

There was no dispute between the parties that Atlantic sent its contract confirmation. Ingredion argues it never executed Atlantic's contract and Ingredion's terms and conditions apply. Ingredion states the terms and conditions provided through the link were contained in all invoices. Ingredion claims these terms provided for application of *Force Majeure* for the loads held by the FDA at the border and did not provide for a penalty for cancellation of the contract.

Ingredion's first reference to its terms and conditions was a link to the terms and conditions on an invoice, the first of which was sent a month after Atlantic sent its contract confirmation. In this arbitration, Ingredion argued these terms should prevail and constitute the contract, including that Atlantic accepted the loads and invoices as presented.

NGFA Feed Trade Rule 3(A) specifies that confirmations be exchanged and reviewed by both parties within the next business day, and for both parties to carefully check all specifications therein. NGFA Feed Trade Rule 4 further states that alteration of contract must be agreed to by buyer and seller by the end of the next business day.

The committee unanimously determined that while Ingredion's terms and conditions could have been included within contract terms – given the month-long delay and that these provisions were provided as a link for Atlantic to review after-the-fact – this did not constitute a confirmation of contract terms by Ingredion within NGFA Feed Trade Rule 3.

The committee further observed that exclusion of penalty for either party's ability to resolve contract disputes is an important variation from NGFA Feed Trade Rule 19, enough so that this in particular should have been specified clearly and promptly. These terms provided 30 days later by a link to an additional document were not considered by the committee as a valid change in terms.

THE AWARD

Atlantic's calculations of cancellation charges rely upon FOB Vanscoy Alberta pricing with freight spreads from North Dakota to apply, and Atlantic claims a $0.2675 Shorewood IL equivalent cancellation price. The arbitrators observe, however, within the discussions a lower number had been offered by Ingredion to replace the original contract at $0.205/lb. FOB Shorewood IL (the origin under the original contract).

Therefore, the arbitrators applied $0.205/lb. to the outstanding contract balance of 1,034,000 lbs. (in contrast to the original contract price of $0.10/lb.) and awarded to Atlantic Grain and Trade, LLC in the amount of $108,570.

No interest is awarded for either the claimant or defendant.

Decided: September 4, 2025

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

Roger Fray, *Chair*
Buyer Relations Manager
Ag West Commodities LLC
Adel, IA

Allen Douglass
President
Orchard Point Commodities
Bloomington, IL

Brad Morrison
Director, Raw Material
Procurement and Trading
Primient
Decatur, IL