\# 1463

October 17, 1950.

The Grain & Feed Dealers National Association,
100 Merchants Exchange Building,
St. Louis 2, Missouri.

Attention: Mr. D. F. Clark, Secretary

Re: Arbitration Case No. 1463.

Gentlemen:

In connection with above-entitled case, there are three different contracts involved which we made with Nathan Segal & Company of Houston, Texas. All three of these contracts were handled by Standard Commission Company, Memphis, Tennessee, who acted as our agent. The first contract for 150 tons was entered into on June 26, 1950; the second on June 29, 1950 for 120 tons and the third on July 8, 1950 for 120 tons. The first contract on June 26, 1950 called for a price of $77.00 per ton, F.O.B. Wilson, Arkansas, and called for 44% Solvent Process soybean meal of dark color; and the second contract on June 29, 1950, was for $79.50 per ton, F.O. B. Wilson, Arkansas, and also for 44% soybean meal of dark color; the third contract on July 8, 1950, was for $85.00 per ton, F.O.B. Wilson, Arkansas, and was for 44% Solvent Process soybean meal of dark color.

In connection with the entering into of these contracts, we are inclosing herewith a letter from Dixon Jordan of the Standard Commission Company, Memphis, Tennessee, addressed to Edward Tillman and dated October 11, 1950, which we desire to be made a part of the evidence submitted by this letter. It will be noticed that these is attached to this letter the confirmation on all three of these contracts entered into by the Standard Commission Company as our agent, and which confirmations were mailed out to Nathan Segal & Company and to ourselves on the date each contract was entered into.

It should be pointed out that the price of all three of the contracts was below the usual selling price of 44% Solvent Process soybean meal at the dates which these contracts were entered into, the decrease in the price being from $2.50 to $5.50 at the market at that time when making these contracts, even though the meal which was tested by Woodson-Tenent Laboratories, Memphis, Tennessee, was of a larger percent of protein then 44%, and tested #1 prime soybean meal. We made this concession in decrease in price, due to the fact that the soybean meal was dark in color as you will notice is pointed out in all three of the confirmations from Standard Commission Company.

Out of the first contract Nathan Segal & Company permitted us to ship 105 tons and out of the second allowed us to ship 80 tons. This company did not give us any shipping instructions onany of the meal called for in the third contract. This left a balance on our hands of 45 tons on the first contract, 40 tons on the second contract and 120 tons on the third contract, which Nathan Segal & Company failed and refused to take delivery of.

It was not until August 12, 1950, by wire and by letter of that date that Nathan Segal & Company cancelled the remaining portions of the first and second contract and all of the third contract and in which they advised that they were refusing to accept delivery of this soybean meal and it should be pointed out that from the date of the last contract entered into, being July 8, 1950, that the market on the soybean meal had a tremendous drop and continued to drop for several weeks thereafter.

After receiving the wire on August 12th, which was followed up by letter of the same date from Nathan Segal & Company, we immediately wiredand wrote this concern requesting that they give us shipping instructions on the balance of the meal under their three contracts, but they refused to do so and in view of the fact that the market had dropped considerably, we were forced to and did sell all of the soybean meal which we had acquired for these three contracts at $60.00 per ton, F.O.B. Wilson, Arkansas.

Therefore, our loss due to the breach of these three contracts by Nathan Segal & Company is as follows: On the first contract we sustained a loss of $17.00 per ton on 45 tons; on the second contract we sustained a loss of $19.50 per ton on 40 tons and on the third contract we sustained a loss of $25.00 per ton on 120 tons. This loss was due solely to the failure of Nathan Segal & Company to abide by their contracts and our loss sustained was in the amount of $4545.00.

We therefore ask that the Grain & Feed Dealers National Association allow us to recover in this arbitration case from Nathan Segal & Company the amount of $4545.00.

Respectfully submitted,

Missouri Soybean Company
Edward Tillman
Manager