

Arbitration Decisions

ARBITRATION CASE #1509

PLAINTIFF: Agricol Corporation, Philadelphia, Pennsylvania

DEFENDANT: LaBudde Feed & Grain Co., Milwaukee, Wisconsin

A National Arbitration Committee found in favor of the Plaintiff. Their report was received by the National Association office on October 22, 1971. Members of the Arbitration Committee were Messrs. Herbert Koelsch, Chairman, Bruno Tasch, and Gordon Alexander.

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The dispute involved sales by the defendant, LaBudde, and purchases by the plaintiff, Agricol, of some 23 cars of alleged wheat screenings, some of which ultimately turned out to be "Canadian Refuse Screenings." The defendant sold the plaintiff unground wheat screenings.

After Agricol's customer received the first car of "Unground Grain Screenings" principally from wheat, he turned down the balance of contracts on the basis that the commodity was "Canadian Refuse Screenings." Agricol demanded of LaBudde \$13,206.50.

LaBudde counterclaimed on Agricol for the market difference between the sales price to Agricol and the "distressed sales" prices on the turned down ingredients amounting to \$5,828.01 plus demurrage charges of \$1,085.00 or a total of \$6,913.01.

Despite the fact that both parties verbally agreed over the telephone, their contracts were poorly written in that they did not properly define closely enough the product, so that both buyer and seller could easily identify it. In this matter, both parties were at fault. LaBudde's sales confirmations did not comply with Feed Trade Rule No. 7. Agricol's confirmation of purchases also showed a lack of uniformity in commodity description considering Agricol's claim that they were buying a consistent quality product.

The Arbitration Committee felt that the buyer did not fully carry through his legal responsibility to the seller in that all existing contracts were considered "breached" after only one car was delivered. (Refer to Feed Trade Rule Nos. 12, 13(c)2)

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CONCLUSION: LaBudde failed to comply with verbal and written contracted agreements.

Therefore, the finding was in favor of Agricol: LaBudde to pay Agricol \$475 to cover loss of profit on resale, plus \$3,300 in damages for inconvenience and hardship caused his customer. The panel disallowed any counterclaim by LaBudde.