

ARBITRATION CASE NO. 1513

The dispute is between Louis Dreyfus Corporation and Mid-States Terminals, Inc., arises from the failure of the Buyer (Dreyfus) to tender a Vessel for 500,000 bushels of corn on a guaranteed loading contract and the fact that the Seller (Mid-States) cancelled the contract when the Vessel was not tendered according to the contract terms.

By unanimous agreement, the Arbitration Committee finds for the Mid-States Terminals, Inc.

The Committee recognizes that the time of shipment agreed to by both parties - "Vessel Guaranteed to tender Nov. 1-15" is highly significant and that most FOB Vessel trades do not contain the terminology "Guaranteed to Tender".

The trade rules of the National Grain and Feed Association make no reference to FOB Vessel transactions. The Committee based part of its decision on Rule 10 of the Barge Trade Rules of the National Grain & Feed Association. Rule 10 states:

10. When a contract is written FOB Buyers Barge and the Buyer does not furnish barges within the contract period, it shall be the duty of the Seller, after having given the Buyer twenty-four (24) hours telephone notice to complete the contract and confirmed in writing, to elect to (a) agree with the Buyer upon the extension of the contract; (b) sell out the unshipped balance for the Buyer's account; or (c) cancel the contract for the unshipped balance.

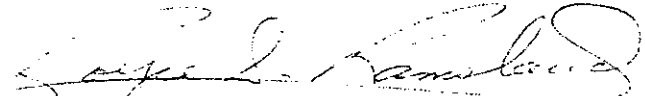
On November 12th, three days before the guaranteed loading date, Mid-States verbally notified Dreyfus that late arrival of the boat would not be acceptable. Again on November 13th, Mid-States verbally notified Dreyfus that they would hold Dreyfus to their performance guarantee of a Vessel tendering on November 15th.

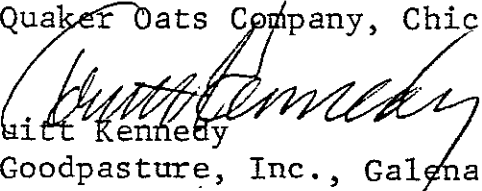
On November 15th at 9:15 AM the following wire was sent to Louis Dreyfus Corporation:


PLEASE REFER TO OUR SALES CONTRACT DATED OCTOBER 15,  
FOR 500,000 3 YELLOW CORN GUARANTEE TO LIFT FIRST  
HALF NOVEMBER. REQUEST YOU DO EVERYTHING POSSIBLE  
TO TENDER A VESSEL TODAY TO COMPLY WITH THE SPECIFIC  
GUARANTEE OF THE CONTRACT OR WE HAVE NO ALTERNATIVE  
THAN TO CANCEL THE CONTRACT AS WE DISCUSSED IN OUR  
TELEPHONE CONVERSATION YESTERDAY.

The Committee is of the opinion that sufficient notice was  
given to Louis Dreyfus that late arrival was not acceptable.  
Therefore the Arbitration Committee finds in favor of Mid-States  
Terminals, Inc.

Arbitration Committee of the  
National Grain and Feed Association

  
Royce S. Ramsland, Chairman  
Quaker Oats Company, Chicago, Illinois

  
Traitt Kennedy  
Goodpasture, Inc., Galena Park, Texas

  
John Schmid  
Midwestern Grain Co., Kansas City, Mo.