



NATIONAL GRAIN AND FEED ASSOCIATION

Arbitration Decisions

ARBITRATION CASE NUMBER 1576

September 30, 1982

PLAINTIFF: Louis Dreyfus Corporation, Shawnee Mission, Kansas

DEFENDANT: Farmers Grain, Inc., Douglas, Georgia

Statement of the Case

This is the second arbitration arising out of a contract of 165,000 bushels of soybeans, dated June 7, 1979. During December 1979 to January 1980, the Defendant, Farmers Grain Inc., shipped 64 cars of soybeans to the Plaintiff, Louis Dreyfus Corporation, at Pascagoula, Mississippi, of which 55 cars were unloaded by the Plaintiff.

The Plaintiff's final accounting under the contract showed the Plaintiff had overpaid the Defendant by \$47,032.78. The Defendant disputed the amount and in May 1980, instituted Arbitration Case Number 1562, seeking to decrease the debt to the Plaintiff on four grounds.

The Plaintiff chose not to arbitrate three of the Defendant's claims and credited the Defendant for \$22,895.52, as follows:

Lapeyrouse Arbitration Case No. 1558 Settlement	\$ 4,500.23
Arbitration Item I, Freight Charges	10,057.56
Arbitration Item III, <u>Final</u> Weight Adjustment	<u>8,337.73</u>
	<u>\$22,895.71</u>

The Plaintiff claimed the balance owed it, after the above credit was \$24,137.26. The fourth item was arbitrated. Arbitration Case Number 1562 involved grade discounts for crotalaria on 10 cars of soybeans the Plaintiff had discounted in the sum of \$15,672.22. The arbitration committee ordered the discount be changed to \$7,836.11, plus interest from March 1, 1980, and ordered the Defendant to pay that amount.

On July 31, 1981, the Defendant forwarded to the Plaintiff a check in the amount of \$9,695.57 (to settle Arbitration Case Number 1562, \$7,836.11 plus interest). The Plaintiff rejected the check because of the statement "Full and complete satisfaction of any and all obligations of Farmers Grain, Inc. to Louis Dreyfus Corporation," was typed on the check. The Plaintiff returned the Defendant's check with a letter dated August 4, 1981, and an accounting demonstrating the correct balance was \$16,301.15, plus interest. The Defendant disagreed with the Plaintiff's figures. The Plaintiff filed for arbitration and sought \$16,301.15 plus interest.

Points of Contention

Disagreement arose out of a transaction that occurred concerning a cancellation invoice. The Defendant shipped two cars of soybeans that were rejected. The Plaintiff issued a cancellation invoice for an amount of \$6,857.53 for underfilling the contract and mailed the invoice to the Defendant. The Defendant understood the invoice to be an amount due, and mailed a check in the amount of \$6,857.53 to the Plaintiff. The Plaintiff recognized it had made a mistake in issuing a cancellation, and voided the invoice as it became evident it had accepted full amount of soybeans against its contract. Both parties agreed the check in the amount of \$6,857.53 was due to the Defendant and the Plaintiff credited the Defendant's account.

The Decision

Although the Defendant attempted to pay the first arbitration results at an earlier date, the use of a "qualifying endorsement" on the check forced the Plaintiff into a position of not accepting the money, fearing jeopardy to the remaining amount due. Based upon bushels of soybeans settled and all weight and discount adjustments agreed upon between parties, the arbitration committee found the Defendant owes the Plaintiff \$14,472.40 plus interest. Interest shall be figured from March 1, 1980 at 16 3/4 percent, which was the prime rate on that date, until final settlement.

Amount due per Defendant's accounting (mutually agreed):	\$1,204,233.23
Freight adjustments (mutually agreed):	10,057.56
Freight awarded (Arbitration Case No. 1558):	4,500.23
Defendant check in error:	+ 6,857.53
	<u>\$1,225,648.55</u>
Plaintiff paid to the Defendant:	\$1,232,284.84
Due Defendant:	1,225,648.55
Overpaid Defendant:	6,636.29
Arbitrated grade adjustment:	+ 7,836.11
Due Plaintiff plus interest:	<u>\$ 14,472.40</u>

This award supercedes the first payment order awarded in Arbitration Case Number 1562.

Submitted with the consent and approval of the arbitration committee, whose names are listed below:

Robert Pegan, Chairman
Central Soya Company, Inc.
Cincinnati, Ohio

Donald Slachta
Agri Sales, Inc.
Saginaw, Michigan

Granville Tilghman
General Utility Company
Dunn, North Carolina