



March 22, 1990

## Arbitration Case No. 1658

**Plaintiff:** Ursa Farmers Cooperative Co., Ursa, Ill.  
**Defendant:** Peavey Grain Companies, Minneapolis, Minn.

### Statement of the Case

Via a string of companies, the plaintiff and defendant were involved in a weight dispute on a barge of soybeans delivered to Peavey's elevator at Paulina, La., on Jan. 23, 1989. The barge, CC7937, was loaded by Ursa Farmers Cooperative Co. on Nov. 3, 1988. Peavey's contract dated Jan. 10, 1989 stated that destination official class X weights were to govern. Ursa Farmers Cooperative Co. did not dispute this term as being part of the contract.

During the unloading of the barge at Peavey's facility, a spillage occurred during the final stages of emptying the barge. The Federal Grain Inspection Service's inspector noticed the spill, reported it, and estimated the loss at 1,500 pounds.

The plaintiff disputed this weight as being official and representative of the actual weight in the barge. As evidence, Ursa Farmers Cooperative Co. submitted its own origin weight obtained by a belt scale. The plaintiff also claimed this was an "unusual situation" and that the industry practice of origin minus 0.025 percent tolerance should apply. Ursa Farmers Cooperative Co. sought \$20,875 in lost-weight damages.

### The Decision

The central question involved in this dispute was whether the defendant, Peavey Grain Companies, satisfied the obligations of the contract. Even though a spill was recorded during the unloading of the barge, FGIS still issued an official weight certificate accord-

ing to its procedures for addressing such an event. This cannot be considered an "unusual situation" because an official certificate was issued. Therefore, reverting to origin minus 0.025 percent would be inappropriate.

Concerning the plaintiff's claim that the certificate weight was not representative of the actual weight, this claim cannot and should not be addressed by this arbitration committee. This issue can be addressed only to FGIS and its governing body.

By providing a FGIS official weight certificate, Peavey Grain Companies met the obligations of the contract. Therefore, this arbitration committee ruled unanimously in favor of the defendant, with no damages awarded.

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

**Mark Palmquist, Chairman**  
Harvest States Cooperatives  
St. Paul, Minn.

**Tom Kuehl**  
Kuehl Commodities Inc.  
Leawood, Kan.

**John Pearson**  
Guthrie Cotton Oil Co.  
Guthrie, Okla.