



# National Grain and Feed Association Arbitration Decision

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January 30, 2023

## CASE NUMBER 2958

**PLAINTIFF: PARRISH AND HEIMBECKER, LTD.  
NORTH BATTLEFORD, SASKATCHEWAN, CANADA**

**DEFENDANT: BLACK HILL FARMS  
NORTH BATTLEFORD, SASKATCHEWAN, CANADA**

### FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Parrish and Heimbecker, Ltd. (P&H), requested the entry of a default judgment in the amount of 670,888.43 CAD (converted by the plaintiff to equal 522,655.63 USD) against the defendant, Black Hill Farms. The default judgment is granted for the reasons set forth below.

P&H submitted an arbitration complaint dated December 3, 2021, to the National Grain and Feed Association (NGFA). The complaint alleged that Black Hill Farms failed to perform on contracts 301015, 308418, 302639, 315479, 323745 and 314801 for #1 CW Barley and #1 Canada Canola.

The contracts were duly executed and agreed upon by both parties and stated under “Rules to Govern” “Rules: National Grain & Feed Assoc.” The contracts also stated under paragraph 12 of the terms and conditions as follows:

This Contract shall be governed by the laws of the Province in which it was written and the laws of Canada as may be applicable therein except where an issue may be decided under the National Grain and Feed Association Grain Trade Rules. Any claim relating to this contract shall be settled by arbitration under the National Grain and Feed Association Arbitration Rules as are in effect at the date of this agreement. The parties agree to submit to arbitration. Judgement upon any arbitration award may be entered in any court of tribunal of competent jurisdiction. ...

Acting upon P&H’s complaint, NGFA prepared an arbitration services contract and submitted it to P&H for execution. By United States Postal Service Priority Mail International (USPS) dated January 25, 2022, NGFA also sent to Black Hill Farms a letter providing notice of these proceedings with copies of P&H’s complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. USPS confirmed that this mailing to Black Hill Farms was delivered on February 4, 2022.

Upon receipt of the duly executed arbitration services contract from P&H, NGFA then sent it with accompanying correspondence to Black Hill Farms by USPS on February 16, 2022. USPS confirmed that this mailing to Black Hill Farms was delivered on February 25, 2022.

On June 23, 2022, NGFA sent to Black Hill Farms another letter by USPS. USPS confirmed this mailing was delivered on July 6, 2022. NGFA's letters of January 25 and February 16, 2022, to Black Hill Farms specifically provided notice that Rule 2(E) of the NGFA Arbitration Rules required that the signed contract be returned within fifteen (15) days.

After not receiving any response from Black Hill Farms or any indication that such a response was forthcoming, NGFA sent yet another notice to Black Hill Farms on August 16, 2022, by USPS. This notice further specifically stated as follows:

NGFA Arbitration Rules 2(D) and (E) provide for the entry of a default judgment when a party fails to execute the arbitration contract and pay the service fee within fifteen (15) days. Based upon the lack of any response from you thus far, we must anticipate that you do not intend to respond. *This is our last attempt to elicit a response from you. A default judgment may be entered against you at any time, which the Plaintiff may enforce in a court of law.* [Emphasis in original].

USPS confirmed that this mailing was delivered to Black Hill Farms on August 26, 2022.

NGFA has yet to receive an executed arbitration services contract from Black Hill Farms, despite the repeated attempts by NGFA to contact Black Hill Farms.

### **DEFAULT JUDGMENT**

NGFA established jurisdiction over this matter pursuant to the express terms of the contract and by way of P&H's status as an NGFA active member.

P&H properly and in a timely manner filed its complaint under NGFA Arbitration Rule 2(A). Pursuant to Rule 2(B), NGFA then submitted an arbitration services contract to the parties. Rule 2(D) states that, "Each party must return the completed arbitration services contract within 15 days from the date the party receives it from the NGFA Secretary." P&H properly executed and returned the arbitration services contract. Black Hill Farms refused to comply with the NGFA Arbitration Rules and refused to participate in the NGFA arbitration process.

NGFA Arbitration Rule 2(E) provides for the following:

Where a party fails to execute the arbitration services contract or pay the arbitration services fee, the NGFA Secretary may without further submissions by the parties enter a default judgment or such other relief as the NGFA Secretary deems appropriate.

As it appears that Black Hill Farms made a conscious decision to disregard these arbitration proceedings, pursuant to Rule 2(E) of the NGFA Arbitration Rules, the NGFA Secretary finds that entry of default judgment against Black Hill Farms is proper and warranted.

NGFA Arbitration Rule 2(E) also sets forth the requirements and conditions under which, "[a]ny party against whom a default judgment has been entered may apply to vacate the default judgment within 15 days of entry of the default judgment."

### **THE AWARD**

**THEREFORE, IT IS ORDERED THAT:**

1. Parrish and Heimbecker, Ltd. is awarded judgment against Black Hill Farms for 670,888.43 CAD (converted by the plaintiff to equal 522,655.63 USD).
2. Interest on the judgment shall accrue at the statutory rate available for judgments in the applicable jurisdiction from this date until paid in full. This award is not intended to preclude the plaintiff from pursuing an additional award for interest, legal fees or costs in a court of law.

Dated: October 28, 2022\*

**NATIONAL GRAIN AND FEED ASSOCIATION**

By: Charles M. Delacruz  
NGFA Secretary

\* On October 28, 2022, NGFA entered the default judgment against the defendant. The defendant was advised regarding the procedures for applying to vacate the default judgment, but the defendant did not apply to vacate the default judgment.