



National Grain and Feed Association Arbitration Decision

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August 20, 2025

CASE NUMBER 2993

PLAINTIFF: THE ANDERSONS, INC., MIDDLEBURG, FLORIDA

DEFENDANT: DOUBLE R FARMS SOKY LLC, SPRINGFIELD, TENNESSEE

STATEMENT OF THE CASE

The plaintiff, The Andersons, Inc., and the defendant, Double R Farms SOKY LLC, entered into the following contracts:

- **DP88164:** A Deferred Price Contract initially executed in 2020.
- **PO90119:** A Hedge-to-Arrive (HTA) Contract for 75,000 bushels of corn derived from DP88164, which was rolled multiple times.

The overview of the dispute is as follows:

- Double R Farms failed to deliver the 75,000 bushels of corn under Contract PO90119.
- The Andersons canceled the contract and sought damages, including price differential, legal fees, arbitration costs, and options-related losses.
- Double R Farms contends it never authorized or received confirmation of the final contract rolls, and it disputes damages beyond the last confirmed HTA contract. Double R Farms also contends the broker involved in these transactions was not its agent and was instead acting in concert with Andersons.

The sequence of events leading up to the dispute are as follows:

- 2019-2020: Double R Farms and The Andersons, through the broker, conduct business, including entering into contracts to sell grain.
- June 29, 2020: Double R Farms and The Andersons enter into DP88164 via the broker.
- April 23, 2021: DP88164 is exercised into HTA contract PO90119 at a price of \$3.80/bu.; the contract is subsequently rolled several times.
- May 5, 2021: Contract PO90119 is rolled to Jul-21 futures month at a price of \$3.4550/bu.
 - o Signed by the broker (as claimed by The Andersons on behalf of Double R Farms) on May 5, 2021 (The Andersons exhibit D-3).

- December 2021: The Andersons allegedly rolls the contract again to March 2022 at \$2.94/bu., but no documentation is provided to establish that a confirmation was sent or received.
- February 17, 2022: The Andersons requests assurances from Double R Farms of its intention to perform by February 25, 2022.
- February 24, 2022: Double R Farms' attorney notifies The Andersons via letter that it would not be performing on the applicable contract.
- February 25, 2022: The Andersons cancels Double R Farms' contract at the close of market at \$6.595/bu.
- The Andersons issues an invoice to Double R Farms in the amount of \$274,312.50.

The main arguments by The Andersons are as follows:

Agency: The broker had actual and apparent authority to act on Double R Farms' behalf.

Ratification/Course-of-Dealing: Double R Farms ratified the rolling of the contracts through its silence and based upon prior conduct and course of dealing between the parties. The Andersons also sent contract confirmations to which Double R Farms did not object, thereby satisfying the requirements of NGFA Grain Trade Rules 3(A) and 4.

Damages: Damages should be based on the final roll price of \$2.94/bu. Andersons incurred legal fees and costs due to Double R Farms' refusal to perform or pay, which should also be recovered from Double R Farms.

The main arguments by Double R Farms are as follows:

No Authority: The broker lacked authority; Double R Farms never approved or received confirmation of the final three rolls.

Lack of Confirmation: The Andersons violated NGFA Grain Trade Rule 3(A) and 4 by not sending confirmations directly to Double R Farms.

No Meeting of the Minds: Double R Farms never consented to the rolls and did not discover their existence until months later.

Limitation of Damages: Double R Farms admits liability only for the contract amount based on the last confirmed price. Double R Farms disputes the claims for attorney's fees, arbitration costs, and contract damages which are based upon the roll which were not confirmed.

THE DECISION

The arbitrators reached the following unanimous conclusions:

- The broker acted with apparent authority, consistent with industry norms and precedent. The contract is valid and enforceable.
- The initial rolls were effectively ratified without objection. The history of transactions between the broker, Double R Farms and The Andersons demonstrate that such rolls were ratified in this manner and establish a course-of-dealing under both the NGFA Trade Rules and the Uniform Commercial Code.
- There is proof that the contract was rolled to July 2021 futures month at \$3.4550/bu., and that this roll confirmation was received by but not objected to by Double R Farms.
- There is no evidence that the final rolls were received by Double R Farms or confirmed.
 - o Under NGFA Grain Trade Rules 3(A) and 4, the final rolls are not enforceable. It cannot be determined from the evidence provided that the final three contract rolls were in fact sent to Double R or the broker.
- Damages are calculated using the last confirmed and properly communicated roll at \$3.4550/bu.
- The breakdown of the award is as follows:
 - o Market differential on 75,000 bu. at \$3.4550 (versus \$6.5950) = $\$3.14/\text{bu.} \times 75,000 = \$235,500.00$
 - o Options-related losses: \$2,250.00
 - o **Total Award:** \$237,750 plus interest from March 31, 2022, at Prime Rate (3.5%).
 - o No additional damages are awarded to either party.

THE AWARD

The arbitrators awarded \$237,750 in damages to The Andersons, Inc. from Double R Farms of SOKY, LLC. Interest shall accrue on the award at a rate of 3.5 percent, pursuant to NGFA Arbitration Rule 6(F) from March 31, 2022, until the award is paid in full.

Decided: July 15, 2025

Submitted with the unanimous consent of the arbitrators, whose names appear below:

Amelia Prickett-Wiesen, *Chair*
VP, Compliance & Transactions
Green Plains, Inc.
Omaha, NE

Jeff Kaeb
Chief Risk Officer
Grainland Farmers
Eureka, IL

Scott Thiel
DDGS Marketing Services
CHS Inc.
Inver Grove Heights, MN