



National Grain and Feed Association Arbitration Decision

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1400 Crystal Drive, Suite 260
Arlington, VA 22202

P: (202) 289-0873
F: (202) 289-5388

April 7, 2026

CASE NUMBER 3000

PLAINTIFF: THE ANDERSONS INC., MIDDLEBURG, FLORIDA

DEFENDANT: GILKISON FARM, WINCHESTER, KENTUCKY

STATEMENT OF THE CASE

The parties' dispute arises from 20 grain contracts with original contract dates ranging from May 20, 2019 – November 24, 2021. Gilkison Farm (Gilkison) disputes the existence of any of the contracts and contends they were initiated by a broker working with/for The Andersons, Inc. (Andersons).

Andersons contend that the broker acted at the behest of Gilkison and had assumed/apparent authority to do so, and under this authority initiated certain positions for Gilkison.

The record shows that Andersons and Gilkison had dealings prior to this dispute. Gilkison signed 10 of the 20 disputed contracts on January 12, 2021. Ten of the contracts (futures contracts) had a futures prices attached to a defined set of bushels. The futures contracts had been rolled multiple times, in some cases over multiple years.

The arbitrators noted six of the contracts appear to be options strategies. Two of the six option strategies had been cancelled by Andersons. Four of the purchase contracts are represented by Andersons as the exercise of the signed options strategies, one of which was signed.

Andersons asked for adequate assurances on February 16, 2022. Gilkison responded on February 25, 2022, that it believed the contracts were not valid and that it would not be performing on them. Andersons subsequently cancelled all of the contracts on February 28, 2022. Most of these contracts were not originally under March 2022 futures. Andersons argues that the rolls on these contracts were initiated at the behest of Gilkison's broker.

THE DECISION

The arbitrators looked at these contracts as two separate groups: unsigned and signed.

Six of the 20 disputed contracts were not signed by Gilkison. Andersons argues that these contracts are valid as it sent confirmations of the same to Gilkison's broker. Andersons argues that this was standard operating procedure for this customer. The contract terms and conditions (paragraph 24) explicitly state that all communications, etc. shall be transmitted to Seller at the mailing address shown on the contract or to such other address as Seller may designate to Buyer in writing.

24. All communications, monies, and other properties shall be transmitted to Seller at the mailing address shown on this Contract, or to such other address as Seller may designate to Buyer in writing.

Andersons provided no such written authorization and was obligated by its own contract to transmit confirmations to Gilkison directly. Andersons argues that it sent confirmations to the broker and provides no argument or documentation that any confirmations were sent to Gilkison directly.

The arbitrators agree with Andersons that the broker had the authority to bind Gilkison to grain sales. The arbitrators disagree with Andersons that only sending confirmations to the broker was sufficient. This argument clearly flies in the face of the contract language at paragraph 24 of the terms and conditions. Gilkison had no confirmation from Andersons as to the initiation of these contracts and thus no opportunity to address the validity of said contracts. The arbitrators find that contracts QX30095, DP88412, DP88502, P090000, P090267 and P090702 are invalid due to Gilkison not receiving confirmation of these contracts.

The remaining contracts in this arbitration were signed by Gilkison on January 12, 2021. The arbitrators noted numerous concerns with these contracts.

All contracts submitted by Andersons involved a signed copy and a copy at cancellation, none of the contracts were accompanied by a record of confirmations of amendments of pricing, rolls or shipment periods. The Additional Terms and Remarks section of several of the contracts notated rolls - but provided no date or authorizing party - only the rolls and spread. The arbitrators recognize each roll as an amendment to the contract and the rolls should have been treated as such pursuant to the contract terms and conditions.

While the contracts may be incomplete in this regard, the arbitrators do not conclude the contracts have been altered in any nefarious way as argued by Gilkison.

Based on the terms and conditions of the contracts in question, paragraph 24 states that all amendments and other communication must be sent to the address of the seller on the contract. Andersons, by its own admission in its first argument, contends that its standard operating procedure was to send confirmations to Gilkison's broker. Andersons provided no documentation or argument that any confirmations were sent to Gilkison.

On this basis, the contracts were likely invalid when Gilkison signed them. The arbitrators all agree that Gilkison's act of signing the contracts bound it to the contracts none-the-less. Gilkison, with its signature ratified the contracts and all amendments up to January 12, 2021. Gilkison in its argument agrees that it signed the contracts, though it contends it was under false pretenses from the broker.

As stated above, Andersons sent confirmations to the broker. While the broker may have had authority to bind Gilkison to delivery of grain, the contract is explicit in how amendments and communications are handled pertaining to contracts. As stated above, Andersons provided no evidence that Gilkison ever authorized anyone but itself to receive confirmations. The Customer Flex Agreement that Andersons contends govern this relationship further states:

No employee of Andersons has any authority to waive, modify or alter in any respect any of the terms of this agreement and no supplemental or special understanding shall be binding upon the Andersons unless consented to in writing by the Vice President or pr President, Grain Division.

No modifications have been presented by Andersons.

Andersons emailed contract confirmations to Gilkison on January 12, 2021, Gilkison conferred with the broker on this matter and ultimately signed 14 of the 20 contracts. Four of the 20 that were signed appear to be options strategies and another one contract appears to be the exercise of the aforementioned option, though lineage is not noted in any of the contracts.

As with the invalid contracts, amendments of these ratified contracts run afoul of the stated Terms and Conditions. Andersons amended these contracts, whether at the direction of the broker or not, without abiding by the contract terms and not sending confirmations to Gilkison. Without confirmation, Gilkison was deprived of its ability to contest further amendments as spelled out in the contract. The arbitrators determined that the ratified contracts are valid up to the day before first notice of the underlying futures, post signature of each contract. Without proper confirmation being sent to Gilkison, the arbitrators have opted to cancel the contracts on the day before first notice in their respective months.

Damages awarded to Andersons are calculated below. Contracts QX30072, P087313, QX30091, P087956, QX30139, P088553, P088599, QX30174 and QX30136 were dealt with in this manner. Contracts DP88249 and P089342 are argued by Andersons to be an option and the exercise of the option, and the arbitrators determined both contracts to be signed and valid.

The remaining signed contracts –DP88031, DP88152 and DP88126 – are signed options strategies. The arbitrators determined that these contracts are valid. What these contracts state is a separate matter. These contracts have a bushel amount and multiple options attached against those bushels. These contracts are silent on an expiration date or pricing date. The contracts that allegedly resulted from these option strategies have absolutely no remarks regarding the lineage of these contracts.

The arbitrators recognize that a signed contract binds the principle. This is undisputed in our industry. The arbitrators also recognize that contracts need to be as unambiguous as possible. Andersons failed with this in respect to all of the option strategy contracts referenced in this case. For these reasons, the arbitrators opted to split the damages evenly between the two parties on these three particular contracts.

As with the signed futures contracts discussed above, the arbitrators anticipate that these options were exercised at the expiration of the option and converted to a futures contract. The arbitrators determined damages based on the price of the underlying futures on the day before first notice.

THE AWARD

Damages awarded to The Andersons, Inc. from Gilkison Farm total \$590,696.07 as indicated on the table below. Interest is awarded on these damages, pursuant to Arbitration Rule 6(F) at a rate of 7.75% from February 27, 2023, the date of submission of Andersons’ first argument in this case.

Contract Date	Contract #	Com	Futures	Cancel Date	price	Cancel Price	FINAL BUSHEL	DAMAGES
5/30/2019	QX30072	YC	H21	2/25/2021	4.6250	5.5475	25,000	(23,062.50)
6/14/2019	P087313	YC	H21	2/25/2021	4.9650	5.5475	5,000	(2,912.50)
6/17/2019	QX30091	YC	H21	2/25/2021	4.8025	5.5475	20,000	(14,900.00)
8/12/2019	QX30095	YC	H21		4.2525	5.5800	INVALID	
12/12/2019	P087956	YC	H21	2/25/2021	4.0475	5.5475	15,000	(22,500.00)
12/12/2019	QX30139	YC	N21	6/29/2021	4.2150	6.9450	30,000	(81,900.00)
5/26/2020	DP88031	YC	Z21	11/29/2021	3.9000	5.8100	25,000	(47,750.00)
6/25/2020	P088553	YC	H21	2/25/2021	3.3800	5.5475	32,478.00	(70,396.07)
6/29/2020	DP88152	YC	K21	4/29/2021	3.8000	5.8100	40,000	(80,400.00)
6/30/2020	DP88126	YC	N21		3.8000	4.2150	20,000	(8,300.00)
6/30/2020	P088599	YC	N21	6/29/2021	3.7400	6.9450	30,000	(96,150.00)

6/30/2020	QX30174	YC	N21	6/29/2021	3.8450	6.9450	20,000	(62,000.00)
7/16/2020	DP88249	SB	X20					-
9/17/2020	QX30136	SB	H21	2/25/2021	9.3600	14.0600	10000	(47,000.00)
10/23/2020	P089342	SB	H21	2/25/2021	8.9775	14.0600	20000	(101,650.00)
11/10/2020	DP88412	SB	H21		12.2000	10.7500	INVALID	
3/19/2021	P090000	YC	K21		3.8000	6.9500	INVALID	
6/11/2021	P090267	YC	N21		3.8000	6.6200	INVALID	
8/6/2021	DP88502	SRW WHEAT	N22		8.0000		INVALID	
11/24/2021	P090702	YC	Z21		3.9000	5.8000	INVALID	
							Gilkison Damages	(658,921.07)
5/26/2020	DP88031	YC	Z21	11/29/2021	3.9000	5.8100	25000	(23,875.00)
6/29/2020	DP88152	YC	K21	4/29/2021	3.8000	5.8100	40000	(40,200.00)
6/30/2020	DP88126	YC	N21		3.8000	4.2150	20000	(4,150.00)
							Anderson Damages	(68,225.00)
							Damages owed to The Andersons	(590,696.07)

Decided: April 25, 2024

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

Greg Siems, Chair
 Grain Manager
 Ag Partners
 Stewartville, MN

Katie Lawniczak
 Grain Merchandiser
 Luckey Farmers
 Woodville, OH

Ryan Martin
 Senior Merchant
 Cargill Inc.
 West Lafayette, IN



April 7, 2026

ARBITRATION APPEAL CASE NUMBER 3000

Appellant/Plaintiff: **The Andersons, Inc., Middleburg, Florida**

Appellee/Defendant: **Gilkison Farm, Winchester, Kentucky**

DECISION OF THE APPEALS COMMITTEE

The original three-member Arbitration Committee unanimously agreed that several contracts were formed between The Andersons, Inc. (Andersons) and Gilkison Farm (Gilkison). Gilkison did not deal directly with Andersons but utilized a broker to negotiate the terms and conditions regarding each contract. The broker formed Hedge-to-Arrive (HTA) contracts or option strategies with Andersons on behalf of Gilkison. Ultimately, several option positions were exercised, resulting in additional HTA bushels being sold by Gilkison to Andersons. The original Arbitration Committee detailed the actions of Andersons and Gilkison in the Statement of the Case in their written decision.

Gilkison failed to deliver grain to Andersons to fully satisfy Gilkison's contractual commitments. The original Arbitration Committee awarded Andersons \$590,696.07 in damages, plus interest on the award, as defined in NGFA Arbitration Rule 6(F). Andersons appealed the original Arbitration Committee's decision, seeking the remaining \$820,863.37 of its original claim that was not awarded.

The Arbitration Appeals Committee, both individually and collectively, reviewed the documents provided in the record of the case for Arbitration Case 3000, which includes the findings and conclusions reached by the original Arbitration Committee. The Arbitration Appeals Committee further reviewed the briefs submitted by the appellant and appellee in the appeal.

In a declaration provided with the arguments in this case, Gilkison states:

Gilkison Farm, LLC began working with Broker, who advised that he had the ability to connect Gilkison with grain buyers who could purchase grain through Hedge-to-Arrive contracts and that Broker would coordinate trucking the grain from my farm to the buyer's location."

Gilkison furthers states:

From the beginning of our working relationship, Broker's job was to obtain HTA's for Gilkison Farm's grain crops, corn and soybeans only, to help with risk management of our operation.

This arrangement clearly falls within the scope of **NGFA Grain Trade Rule 2. Brokers (A)** ("A broker is a person, firm, or electronic trading platform that is engaged on behalf of others, at least partially on a commission basis, to negotiate or facilitate the formation of contracts for goods that the broker has no actual or constructive custody.") Clearly, there was an understanding between the parties of the responsibilities of the broker, but if it was memorialized in writing, that document was not provided as part of the record of the case. For Andersons as the buyer, that document would have been good business practice in detailing the scope of the broker's powers in the broker/seller relationship. Prior to the contracts in dispute, the broker had sold grain to Andersons for Gilkison's account, which Gilkison delivered without objection.

NGFA Grain Trade Rule 3 Confirmation of Contracts: As the original Arbitration Committee noted, contract confirmations were sent by Andersons only to the broker, not directly to Gilkison as the seller. This is contrary to what is printed on Anderson’s boilerplate Contract Terms and Conditions attached to each contract that states: “*All communications, monies, and other properties shall be transmitted to the Seller at the mailing address shown on this Contract, or such other address as Seller may designate to Buyer in writing.*” Notwithstanding, the broker has a duty to send a written confirmation setting forth the specifications of the trade to each principal of the trade. Andersons only provided three separate trade confirmations issued by the broker that were sent to Andersons. Gilkison was listed as the seller on these confirmations. If the buyer and seller mutually agree, they may always establish terms and conditions of a particular transaction. However, in the absence of such agreement, the NGFA Trade Rules would apply as defined in the rules Preamble.

All the contracts between the parties were HTA contracts, either exercising option strategies or outright original HTA contracts. As such, HTA’s have a referenced futures month contract that is integral to each contract’s pricing mechanism. No documentation was provided to the arbitrators whether the broker requested rolls or if Andersons initiated the rolls prior to first notice day as is custom of the trade. Andersons failed to provide evidence of compliance with NGFA contract confirmation rules as defined in Grain Trade Rule 3. Rules and procedures are of utmost relevance and importance. For example, some of the rolls were listed on Andersons’ confirmation Term and Remarks section without indication of the date and individuals that agreed to the roll, and other rolls were apparently conducted that were not listed at all. As such, rolls are an alteration of the contract, and pursuant to **NGFA Grain Trade Rule 4. Alteration of Contract:** “*The specifications of a contract cannot be altered or amended without the express consent of both the Buyer and the Seller. Any alteration mutually agreed upon between the Buyer and Seller must be immediately confirmed by written communication by both parties.*” Andersons presented no documentation that every time that the HTA referenced futures were rolled to another option month that it in fact sent confirmations of the contract alterations to the broker and/or Gilkison.

The Arbitration Appeals Committee expands upon the statement by the original Arbitration Committee in its written decision that a signed contract binds the principles. Contract articles of trade and specifications are communicated between a buyer and seller by verbal or electronic communication. Once those details are agreed upon, and a meeting of the minds by the buyer and seller occurs, is when a contract is formed and the principals to the trade (buyer and seller) are bound by what was agreed upon. Then, both buyer and seller shall send a written contract confirmation to the counterparty detailing the specifications as agreed upon in the original articles of trade. The parties shall check the confirmation for any differences in the specifications of the trade and immediately inform the other party. Although it is good business practice to have a signed confirmation, the contract is valid and enforceable without it.

Andersons failed to adhere to **NGFA Grain Trade Rule 3. Confirmation of Contracts** by not sending confirmations of contracts being formed or altered to Gilkison. When prices rallied in early January 2021, Andersons became concerned if Gilkison would honor its obligations and deliver grain. Andersons sent confirmation of all open contracts to Gilkison, which Gilkison signed. Gilkison made various claims questioning the validity of the contracts, but Gilkison signed the confirmations acknowledging that the contracts’ prior formation was within its understanding.

AWARD

The Arbitration Appeals Committee, by unanimous agreement, upholds the decision of the Arbitration Committee to award \$590,696.07 to The Andersons, Inc. from Gilkison Farms. The Arbitration Appeals Committee further upholds that interest shall accrue as detailed in the original Arbitration Committee’s decision until the award is paid in full by Gilkison.

Decided: October 23, 2025

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

Jay Mathews, *Chair*
CEO
Prairieview Grain Trading
Champaign, IL

Ben Baer
President
Livestock Nutrition Center
Overland Park, KS

Robert Geers
VP of Merchandising
Michigan Ag. Commodities
Lansing, MI

Criag Hugaard
Grain Division Manager
Superior Ag
Huntingburg, IN

Edward Milbank
President
Milbank Mills, Inc.
Chillicothe, MO