



National Grain and Feed Association Arbitration Decision

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April 7, 2026

CASE NUMBER 3032

PLAINTIFF: INDIGO MARKETPLACE LLC, A WHOLLY-OWNED SUBSIDIARY OF INDIGO AG, INC., RIDGELAND, TENNESSEE

DEFENDANT: RITCH A. BLYTHE, OVERTON, NEBRASKA

STATEMENT OF THE CASE

On June 5, 2020, Indigo Marketplace LLC (Indigo) and Ritch Blythe (Blythe) entered into contract number NEACC00017, which established futures pricing on 47,058 bushels of U.S. No. 2 yellow corn. Shortly after this transaction, the parties entered into a “Marketplace Seller Agreement” (MSA), which included appendices A and B and an Electronic Record and Signature Disclosure. In September of 2020, the parties entered into another contract setting futures on another 10,000 bushels of No. 2 yellow corn. The only record of this transaction is an electronic confirmation without a contract number referenced. The sum of these bushels was rolled from the original positions in the contracts four times to March, May, July and, finally, September 2021. Indigo subsequently cancelled the contract(s) on July 1, 2021.

The contracted corn and subsequent rolls are not in dispute. This dispute revolves around whether Indigo had the right to subsequently cancel the contracts or if Indigo breached the contracts by cancelling the contracts.

While Blythe mentions numerous times that he was not always aware of these contracts being rolled to another futures month, he does not at any time claim to have disputed any of these rolls within the allotted 24-hour window referred to in the MSA.

The MSA places the responsibility on the Seller – Blythe in this instance – to set basis on or before the first date of delivery or the first holding date. Blythe attempted twice to set basis to a location that was not available through Indigo. Indigo was not obligated to accept these basis offers and Indigo ultimately refused these offers both times.

THE DECISION

The arbitrators were not satisfied that an “understanding” between the parties in connection with these transactions was definitive enough for Indigo to initiate a cancellation. The arbitrators also found that since contract cancellations are such an avoided event in our industry, the contract cancellations in this case should have been memorialized and substantiated with more emails, written notes, voice recordings, etc. Blythe argues that Indigo does not convey the words used in the conversation between him and Indigo on June 30, 2021. While we do agree that Indigo’s actions on that day suggest that Indigo “understood” the contracts were cancelled, the record does not fully support the notion that these contracts were “amended” in a definitive way. The record on the delivery of the cancellation invoices to Blythe is also lacking.

With that being said, Indigo rolled all of Blythe’s contracts to September (month, year), exercising Indigo’s rights under Appendix B. However, the arbitrators took issue with the events leading up to the cancellations on July 1, 2021. On June 23, Blythe was told that the decision to reject Blythe’s basis offer would be re-evaluated. It then took Indigo 7 days to reject Blythe’s basis offer the second time. While it was Blythe’s responsibility to set basis, the arbitrators determined it was understood between both parties that there was an active basis offer, or at least a solution being considered, and why would Blythe set basis to a different location without a clear rejection of his first offer? In that time, Indigo rolled the contracts to September before ultimately coming to an “understanding” that the contracts would be cancelled.

Industry practice is that all contracts have a delivery period attached to them. While not the case with the contracts in this case in particular, the industry norm would place delivery of these contracts on or before August 31, 2021. The arbitrators determined that Blythe consequently had the right to set basis on these contracts up until August 30, 2021.

While Blythe argues that he was under the impression that these contracts were still active, he makes no argument to the effect that he was attempting to set basis on these contracts through the time he became aware of their cancellation in March of 2022. Further, Blythe argues that Indigo should have asked for adequate assurance before cancelling the contracts. It does not appear to the arbitrators that Indigo was concerned at this juncture with actual performance of the contracts, just that Blythe would fulfill his obligation to set basis.

Blythe argues that Indigo had no right to cancel these contracts unilaterally. However, the arbitrators concluded the MSA contemplates instances in which this scenario would play out. Blythe further argues that pursuant to NGFA Grain Trade Rule 28(B), Indigo is in default and, therefore, he is not liable for damages. Absent any contract language to the contrary, he would be correct. Blythe had ample opportunity to set basis and failed to do so. This scenario is addressed in Appendix B of the MSA agreed upon by Blythe and Indigo. The arbitrators determined that Indigo had the right to cancel the contracts per the MSA (Appendix B: failure to set basis).

Blythe’s failure to set basis on any of these contracts meant that Indigo had the right to cancel these contracts on August 30, 2021, pursuant to NGFA Grain Trade Rule 28(A), using the close on August 31, 2021, on September futures to buy back the position.

The arbitrators award damages to Indigo indicated below plus interest from June 21, 2022.

CU 8/31	5.34	5.34	5.34	5.34	
Contract value	<u>-2.0825</u>	<u>-2.1125</u>	<u>-2.1125</u>	<u>-2.1325</u>	
	3.2575	3.2275	3.2275	3.2075	
Bushels	<u>x 22,058</u>	<u>x 22,058</u>	<u>x 2,942</u>	<u>x 5,000</u>	
Total Due	71,853.94	71,192.2	9,495.305	16,037.5	\$168,578.945

THE AWARD

The arbitrators awarded \$168,578.95 in damages to Indigo Marketplace, a wholly-owned subsidiary of Indigo Ag, Inc., from Ritch A. Blythe. Interest shall accrue on the award at the rate of 4.75 percent pursuant to NGFA Arbitration Rule 6(F) from June 21, 2022, until the award is paid in full.

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 3032

Appellant/Defendant: Ritch A. Blythe, Overton, Nebraska

Appellee/Plaintiff: Indigo Marketplace, LLC, A Wholly-Owned Subsidiary of Indigo Ag, Inc., Ridgeland, Tennessee

DECISION OF THE APPEALS COMMITTEE

This Arbitration Case was filed by Indigo Marketplace, LLC (Indigo) against Ritch A. Blythe (Blythe) for failing to deliver 52,058 bushels of U.S. #2 Yellow Corn that had been contracted to Indigo. In its claim, Indigo sought \$205,540.13 in damages from Blythe, plus interest on the award.

The original three-member Arbitration Committee unanimously agreed that two contracts were formed between Indigo and Blythe as detailed in their written decision. The original Arbitration Committee awarded Indigo \$168,578.95 in damages and interest as defined in NGFA Arbitration Rule 6(F). Blythe appealed the original Arbitration Committee's decision.

The Arbitration Appeals Committee, both individually and collectively, reviewed all the arguments and supporting documents provided in the record of the case for Arbitration Case 3032, which included the findings and conclusions reached by the original Arbitration Committee. The Arbitration Appeals Committee further reviewed the briefs of the appellant and the appellee submitted in the appeal.

Indigo electronically submitted the contracts to Blythe (Indigo Contract No. NEACC00017 and an Indigo Futures Lock contract with no number referenced) in fulfillment of Indigo's requirements per NGFA Grain Trade Rule 3 [Confirmation of Contracts], and Blythe signed contract NEACC00017 electronically. There was no allegation or indication in the record of the case that Blythe submitted a confirmation of his own for the trades, and as such, per NGFA Grain Trade Rule 3 (B), *"If either the Buyer or the Seller fails to send a confirmation, the confirmation sent by the other party will be binding upon both parties ..."*

The Preamble of the NGFA Grain Trade Rules explicitly states:

All Active members and other parties using these rules are free to agree upon any contractual provisions, which they deem appropriate, and these rules apply only to the extent that the parties to the contract have not altered the terms of the rules, or the contract is silent as to the matter dealt with by the pertinent rule.

As detailed in the decision of the original Arbitration Committee, Indigo and Blythe entered into contracts that established the futures price component of the contracts but did not establish the basis or delivery location. By agreement, the basis component would be mutually agreed upon later to establish the final contract prices. The parties also entered into a "Marketplace Seller Agreement" (MSA), which allowed Blythe to sell his crops through the Indigo Marketplace pursuant to the MSA's terms and conditions. Appendix B of the Indigo MSA (pricing mechanisms) is very specific on the responsibilities of Blythe as the seller in these transactions:

Failure to Set Basis. In the event You fail to set Basis prior to the Final Basis Set Date, then Indigo has the right, but not the obligation to either: (1) roll the futures reference month to a subsequent futures reference month (and charge the relevant Service Fee); (2) set the Basis or (3) declare the Seller to be in default and breach of the Agreement, and assign a Basis (at Indigo’s sole discretion, acting reasonably) for the purpose of determining any damages for Seller’s failure to set Basis.

There were several rolls of the contracts, but no documentation was provided in the record of the case showing if the rolls were agreed to between Indigo and Blythe or if Indigo implemented those rolls based upon the contract terms and that Blythe had not set the basis.

The final roll was executed by Indigo on June 28, 2021, and Indigo submitted a copy of the confirmation of this roll in the record of this case. This roll is contrary to what is specifically stated in Indigo Appendix B, which states, “However, no rolls will be allowed past the end of the crop year (including no rolls past March for wheat, and no rolls past July for soybean and corn.” Indigo provided no explanation why it did not follow the language as specifically cited in its MSA. The roll to September 2021 futures reference month was not objected to by Blythe; therefore, this roll is valid and binding to both Indigo and Blythe. This roll allows Blythe the opportunity to set basis on the contract until August 30, 2021, as the original Arbitration Committee stated in its decision. Blythe offered to deliver corn to a destination that Indigo ultimately rejected. Blythe asked Indigo to reconsider its decision, and Indigo reiterated to Blythe that his offer to deliver corn to his proposed destination was not an option, and no agreement between Blythe and Indigo was reached. Even though Blythe’s offer was rejected, Blythe still bore responsibility to set basis on the contract delivered to a different destination.

Indigo claimed that in a telephone conversation informing Blythe the second time that he would not be able to deliver corn to his proposed location, Blythe “explicitly refused to sell the grain to Indigo at all.” Blythe claimed he did not request the contract be cancelled. As the original Arbitration Committee stated in its decision, no documentation was presented providing definitive proof that Blythe and Indigo agreed to cancel the contract. As such, the roll by Indigo to September 2021 referenced futures is valid giving Blythe the opportunity to set basis and deliver grain against the contract until August 30, 2021 (the “**Final Basis Set Date**”). Blythe failed to contact Indigo to either set the basis or roll to a different futures month on the contract as required in the MSA, thus Blythe defaulted on the contract.

Indigo did not correctly compute the final contract value as detailed by the individual confirmations issued by Indigo for the rolls, which quantified the spread between futures option months and service charges assessed. The corrected contract values are noted in the table below:

CU21 8/31	5.3400	5.3400	5.3400	5.3400
Contract Price	<u>2.0850</u>	<u>2.1150</u>	<u>2.1150</u>	<u>2.1225</u>
Difference (per bushel)	3.2550	3.2250	3.2250	3.2175
Bushels	X 22,058	X 22,058	X 2,942	X 5,000
Total Due Indigo	\$71,798.79	\$71,137.05	\$9,487.95	\$16,087.50

Total Award \$168,511.29

AWARD

The Arbitration Appeals Committee awards \$168,511.29 in damages to Indigo Marketplace, a wholly-owned subsidiary of Indigo, Ag, Inc., from Ritch A. Blythe. 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 Blythe.

Decided: January 12, 2026

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

Craig Haugaard
Grain Division Manager
Superior Ag
Huntingburg, IN

Edward Milbank
President
Milbank Mills, Inc.
Chillicothe, MO