



National Grain and Feed Association Arbitration Decision

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May 27, 2025

CASE NUMBER 3111

PLAINTIFF: THE REDWOOD GROUP, LLC, MISSION, KANSAS

**DEFENDANT: BEECHWOOD AGRI SERVICES, INC., DBA BEECHWOOD AGRI SERVICES,
ON, CANADA**

STATEMENT OF THE CASE

This case involves contract 400267 between the plaintiff, The Redwood Group, LLC (Redwood), and the defendant, Beechwood Agri Services, Inc., dba Beechwood Agri Services (Beechwood).

The contract was formed on February 22, 2021, for the purchase of 22,320 bushels (bu.) of Organic Yellow Soybeans by Redwood from Beechwood. The contract terms included a shipping period of January 1 through October 1, 2022; FOB London, ON; and payment terms of “NET 30 DAYS FROM INVOICE DATE”.

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

- Original contract written February 22, 2021, for delivery January 1 – October 1, 2022.
- Redwood sends a contract confirmation to Beechwood, which is signed by both parties. Beechwood signs Redwood’s confirmation on February 23, 2022.
- Later in 2022 (on a date that cannot be more precisely identified from the case materials presented) – Beechwood sends a different contract confirmation to Redwood.
- January 2022 – Beechwood notifies Redwood it will be unable to ship any 2021 crop food grade soybeans.
- March 2022 – Beechwood notifies Redwood it will have to ship 2022 crop soybeans to fulfill the contract.
- September 2022 – Redwood agrees to accept six loads of feed grade soybeans under the contract. (No discounts are discussed).
- The last of the six loads were picked up on October 3, 2022.
- October 20, 2022 – Redwood notifies Beechwood it is in default for the remaining bushels under the contract and sends a confirmation of cancellation to Beechwood.

Redwood claims Beechwood breached the contract by failing to deliver the soybeans within the contractual period and is owed damages as a result of the contract cancellation.

Beechwood claims the parties invoked an “Act of God” clause, which is in either Redwood’s general terms and conditions (that are incorporated in Redwood’s contract confirmation) or Beechwood’s contract confirmation. Beechwood also argues that Redwood must pay for the soybeans that Redwood accepted, and Redwood failed to elect remedies and mitigate losses when notified by Beechwood of its anticipated non-performance in January of 2022.

THE DECISION

It appears to the arbitration committee that both parties agreed there were problems with the 2021 crop, and there was an extended period of communication between the parties attempting to reach a solution. Ultimately, Beechwood was unable to ship any soybeans until Redwood agreed to accept six loads of off-grade soybeans in September and October of 2022.

With respect to the claims asserted by Beechwood concerning an “Act of God” clause, the committee concludes that Redwood’s contract confirmation – which was signed by both parties on the day following the actual trade in accordance with NGFA Grain Trade Rule 3 – does not contain such a clause. Beechwood’s contract confirmation – which was sent later and out of compliance with Rule 3 and not signed by Redwood – does not govern this trade and is irrelevant.

The committee finds that although Beechwood notified Redwood of its anticipated non-performance pursuant to NGFA Grain Trade Rule 28, and both parties agreed to work on a remedy, it never resulted in an agreed upon extension of the contract or change in the contract terms. Thus, the original contract in place is enforceable.

The committee finds Beechwood in default under the original contract terms. However, the committee agrees with Beechwood that it is owed the original contracted price for the six delivered loads accepted by Redwood.

The committee consequently concludes Beechwood is owed for the six delivered loads at contract price in the amount of \$155,884.38 (6,113.113 bu. @ \$24.50/bu.). Redwood is owed for the cancellation of the remaining bushels at fair market value in the amount of \$183,379.20 (16,206.887 bu. @ \$11.50 [difference between purchase and sale prices]).

Thus, Redwood is owed \$30,494.82 from Beechwood (\$186,379.20 due to Redwood less \$155,884.38 due to Beechwood) plus \$711.70 in interest (accruing from November 19, 2022, 30 days after the cancellation notice of October 20, 2022, through March 9, 2023, the date this case was filed, at a rate of 7.75 percent, pursuant to NGFA Arbitration Rule 6(F))

Total award to Redwood amounts to \$31,206.52 (\$30,494.82 + \$711.70).

The committee’s decision is unanimous.

THE AWARD

The committee awards \$31,206.52 to The Redwood Group, LLC from Beechwood Agri Services Inc., dba Beechwood Agri Services.

Decided: April 10, 2025

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

Chris Wetzell, *Chair*
Vice President
Agrex, Inc.
Plymouth, MN

Alejandro Jimenez
Sr. Marketing Manager
Consolidated Grain and
Barge Co.
Covington, LA

Dean O'Harris
Feed Grain Merchandising
and Risk Management
Arizona Grain, Inc.
Casa Grande, AZ