



April 7, 2026

CASE NUMBER 3115

PLAINTIFF: WESTERN MILLING, LLC, GOSHEN, CALIFORNIA

DEFENDANT: ARCHER-DANIELS-MIDLAND COMPANY, DECATUR, ILLINOIS

STATEMENT OF THE CASE

Western Milling, LLC (Western Milling) is seeking \$704,337.50 in replacement costs plus \$125,336.11 in interest from Archer-Daniels-Midland Company (ADM) for defaulting on 7708.375 tons (approximately 75 rail cars) of Corn Gluten to be delivered to Famoso, CA in March of 2022.

The contracts in issue were agreed upon by the parties between October 19 and 29, 2021, for 320 cars to be delivered to Famoso, CA between January and March of 2022. All the contracts were confirmed via email by ADM and Western Milling and stated they were governed by NGFA Trade Rules. The March delivery portion of the contracts at issue are listed below.

Contract 065 0002001	20 cars	2008.375/ton	Oct 19, 2021	\$235/ton
Contract 065 0002010	30 cars	3000/ton	Oct 20, 2021	\$238/ton
Contract 065 002028	40 cars	4000/ton	Oct 29, 2021	\$243/ton (25 cars) \$260/ton (15 cars)

February 17, 2022 – Western Milling requested via email that ADM stop shipping cars under the contracts. ADM inquired how long for Western Milling’s request, and Western Milling indicated two weeks. At this point ADM requested a roll fee to push the remaining February cars to March.

February 24, 2022 – ADM and Western Milling agreed via telephone on a plan to roll the February cars to March and to ship the March cars by the end of March. ADM confirmed this arrangement via email stating “March cars to be applied evenly through the month so we can start April current.” Western Milling indicated via email some cars may drag into April and ADM stressed the importance of getting all cars shipped by the end of April.

March 2, 2022 – Western Milling requested that ADM stop billing cars.

March 4, 2022 – ADM and Western Milling agreed to roll the remaining 50 February cars to April at \$5/ton.

March 8, 2022 -- ADM asks Western Milling via email for an update on unloading cars to which Western Milling responds: “Not good.” ADM then states it needs to resume shipping cars to get all 90 to Western Milling by the end of March and makes it clear it will not be able to drag March cars forward if they are not shipped. Western Milling offers to roll the cars to May, and ADM declines to do so.

March 10, 2022 – Western Milling informs ADM not to bill cars until approved. ADM asks when it can start shipping cars, and Western Milling responds not to ship until approved. ADM states it will not agree to an open-ended hold against shipping on a current contract, and ADM’s senior merchandiser states, “I reserve the right to ship against a current contract until we have an agreement on an execution plan.” Western Milling then states it will not pay for the cars and will divert them back to origin and asks to roll the cars to the last half of April.

March 11, 2022 – Western Milling asks ADM via text to roll the cars to May, and ADM declines to do so.

March 15, 2022 – ADM inquired about shipping cars, and again Western Milling tells ADM to hold off. ADM stated the cars need to ship on the March contract before the end of the month.

March 22, 2022 – ADM again asked about shipping cars and the next day agrees to ship 15 of the 90 cars to Goshen at a \$17/ton spread.

March 28 and 29, 2022 – ADM asks Western Milling if ADM can start shipping cars, and Western Milling declines.

March 30, 2022 – ADM attempts to telephone Western Milling to discuss cars and Western Milling indicated it would call back later.

April 4, 2022 – ADM attempts to call Western Milling.

April 5, 2022, approximately 9:40-9:45 CST – Western Milling returns ADM’s call, the parties discuss the outstanding cars, and Western Milling claims it then had to hang up before ADM declared buyer’s default.

9:49 CST – Western Milling emails ADM with billing instructions on all 75 cars.

9:51 CST – Western Milling emailed ADM offering to extend shipment on the cars in default.

10:44 CST – ADM responds stating Western Milling is in default and ADM elects to cancel the balance of the past due March contracts.

10:56 CST – Western Milling responds via email stating the contracts are open and offers to discuss a cancellation price.

12:19 CST – ADM again declares the contracts are in default and need to be canceled.

12:52 CST – Western Milling via email acknowledges the parties discussed the past due contracts and states the contracts are open and ADM has 7 days to either bill the cars or agree on a schedule. Western Milling states if ADM cannot do this then it (ADM) needs to declare default.

1:18 CST -- ADM states Western Milling is in default and will be canceling the past due contracts.

2:36 CST – Western Milling via email states it is taking ADM’s response as a notice of seller’s default and Western Milling is selecting option 3 under NGFA Feed Trade Rule 19(A) for ADM’s seller’s default.

Argument of the Plaintiff

Western Milling argues ADM committed a seller’s default by refusing to ship pursuant to Western Milling’s billing instructions on April 5, 2022. Western Milling claims the contracts were automatically extended due to ADM not demanding billing instructions or declaring default. Western Milling cites NGFA Feed Trade Rule 13 (... *the contract shall remain in force until such time that either the Seller does demand billing instructions or the buyer does provide billing instructions*). Western Milling further argues ADM failed to provide car numbers in its requests, again citing Rule 13 (... *During the Contract Shipping Period (excluding Buyers Option), if the Buyer has not yet provided billing instructions, the Seller may notify the Buyer regarding applicable car number(s) and request billing instructions....*)

Western Milling is seeking \$829,673.31 in damages. Western Milling calculated damages of \$704,337.5 pre-interest using the difference between the original contract price of the defaulted portion and the fair market value of the defaulted portion on the day of cancellation of \$335/ton using the National Grain and Oilseed Processor Foodstuff Report dated April 4, 2022. Western Milling calculated 18% yearly interest of \$125,336.11.

Argument of the Defendant

ADM argues Western Milling failed to perform under five contracts by refusing to accept ADM’s shipment of 75 cars of corn gluten feed pellets in the month of March 2022. ADM states Western Milling ignored repeated requests for shipping instructions, made unilateral demands about the timing of ADM’s performance, and threatened to reject ADM’s performance and withhold payment for the shipment of cars. ADM further argues when on April 5, 2022, it called Western Milling to declare default, Western Milling hung up and immediately sent past due billing instructions.

THE DECISION

The arbitration committee unanimously finds Western Milling to be in default of the March 2022 portions of its five corn gluten feed pellet contracts with ADM by refusing ADM’s repeated requests to ship rail cars within the month of March. ADM stated several times, including by telephone on February 24 and by email on March 8 and March 12, that the March portion of the contract needed to ship in March despite Western Milling’s requests to roll the contracts to later months. The committee recognizes ADM’s attempt to notify Western Milling by telephone of its default on April 5, 2022, in accordance with NGFA Feed Trade Rule 19 (B)

THE AWARD

No damages are awarded in this case.

Decided: November 15, 2024

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

MJ Anderson, *Chair*
Director of Risk Management
The Andersons, Inc.
Maumee, OH

Aaron Appel
Regional Trader
Consolidated Grain and Barge Co.
Jeffersonville, IN

Phil Guettermann
Location Manager
The Redwood Group
Mission, KS