



National Grain and Feed Association Arbitration Decision

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May 27, 2025

CASE NUMBER 3126

PLAINTIFF: SURESOURCE COMMODITIES, LLC, ON, CANADA

**DEFENDANT: WOLCOTTVILLE ORGANIC LIVESTOCK FEED COOPERATIVE,
WOLCOTTVILLE, IN**

STATEMENT OF THE CASE

This case involves contract number 1557 between the plaintiff, SureSource Commodities, LLC (SureSource), and the defendant, Wolcottville Organic Livestock Feed Cooperative (WOLF). The contract was for 2,200 tons of organic soybean meal at a price of \$1455.00/ton with SureSource acting as seller and WOLF as buyer. Delivery terms of the contract were “FOB Transflo, Grand Rapids, MI” with a delivery period of October 1, 2022, through January 31, 2023.

Wolf disputes the validity of this contract. SureSource claims the parties agreed to the contract over the telephone on August 19, 2022, with email confirmation sent the same day.

Both parties agree that there were discussions and general agreement around quantity, price and delivery period for 2,200 tons of organic soybean meal. SureSource confirmed this understanding in the written contract sent via e-mail on August 19, 2022. WOLF claims the contract was not agreed to fully because general credit terms could not be met. Conversation between the parties about credit terms continued in the following months leading up to the delivery period, and two loads were delivered, applied, and paid for at the contract price prior to the agreed upon delivery period. SureSource’s ultimate claim is for WOLF’s breach of contract on the undelivered quantity.

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

- Contract 1557 was discussed, and confirmation was sent from SureSource to WOLF on August 19, 2022.
- WOLF responded the following business day with questions about credit terms, and WOLF asked for an additional \$200,000 of credit (for a total of \$400,000 of credit) to which SureSource responded that \$200,000 was the limit set.
- WOLF responded with concerns that may have come from its board of directors about restricted cash flow, but no proposed amendment or official rejection of the contract rejection was sent or agreed upon.

- While the original contract delivery period was October 1, 2022 - January 31, 2023, two loads were delivered September 9-12, 2022, with the original contract number on the bill of lading. WOLF made payment to SureSource shortly after the delivery dates with contract 1557 listed on the settlement sheet at the agreed upon contract price.
- 5-7 weeks followed the second delivered load, and communication between the two parties seemed non-existent. Communication resumed in mid-November regarding a purchase or acquisition of WOLF, and the potential new buyer of WOLF was communicating with SureSource regarding the remaining undelivered quantity.
- On November 17, 2022, WOLF stated – in an e-mail exchange with both SureSource and WOLF’s potential new buyer – that WOLF would not be accepting any further loads, and WOLF maintained it had not agreed to the original contract.
- Communication between WOLF and SureSource continued into February and March concerning the soybean meal in this case.

SureSource claims a contract was written and agreed upon, and then two loads were delivered and paid for based upon this contract. SureSource claims WOLF defaulted on the remaining undelivered quantity, and SureSource requests \$888,717.70 for damages resulting from the cancellation of the remaining tons based upon the market price as of March 6, 2023. SureSource also requests attorney fees and costs dealing with the arbitration in addition to interest on damages incurred.

WOLF claims contract 1557 was never fully agreed to, and while the loads were delivered and paid for at contract price, they were regarded as spot loads and paid for at market price. WOLF claims timely rejection of the contract was given to SureSource as overall credit terms were being discussed. WOLF requests the complaint against it to be dropped in its entirety, and WOLF requests attorney fees and costs incurred from the arbitration.

THE DECISION

The arbitration committee agrees that a fully binding contract was agreed to and confirmed by email on August 19, 2022. While credit terms were being discussed, no rejection or amendment of the contract was formally proposed. The two loads delivered were prior to the contract delivery period, but the contract number (1557) was referenced on both the bill of lading and settlement sheets from both parties, and the soybean meal was paid for at the agreed upon price under contract 1557. Based upon Rule 3 of the NGFA Trade Rules, SureSource sent confirmation of the contract to WOLF. WOLF sent no confirmation, and it was WOLF’s responsibility to immediately reject or amend this contract. While credit terms were under discussion, no formal dispute with the contract terms was communicated other than mention of review of credit terms with WOLF’s board of directors. The committee finds that the official notice of cancellation was provided to SureSource from WOLF on November 17, 2022, pursuant to NGFA Grain Trade Rule 28(B) [Buyer’s Non-Performance] and relying upon this as the official date of contract cancellation.

The committee's decision is unanimous.

The committee finds that the market price at the time of the notice of default was \$1,350.00/ton. The original contract price was \$1,455.00, leaving a difference between sale to WOLF and purchase price at time of notice of default at \$105.00/ton. Assessing the remaining undelivered quantity of 2,142.40 tons at \$105/ton resulted in a balance of \$224,952.00 owed to SureSource. The committee also awards \$7,149.16 in interest (accruing from November 17, 2022, the date of default, through April 11, 2023, the date this case was filed, at a rate of 8%, pursuant to NGFA Arbitration Rule 6(F)).

Total award to SureSource amounts to \$232,101.16 (\$224,952 + \$7,149.16).

THE AWARD

The arbitration committee awards \$232,101.16 to SureSource Commodities, LLC from Wolcotville Organic Livestock Feed Cooperative.

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