



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

August 20, 2025

CASE NUMBER 3129

PLAINTIFF: THE ANDERSONS, INC., MAUMEE, OHIO

DEFENDANT: ERTEL FARMS, INC., OSGOOD, INDIANA

STATEMENT OF THE CASE

The plaintiff, The Andersons, Inc., and the defendant, Ertel Farms, Inc., entered into three forward contracts executed between August 2020 and September 2020.

The contracts included provisions for the following:

- A total of 30,000 bushels of corn and 5,000 bushels of soybeans
- Incorporating “Freedom Min/Max” pricing structures
- Delivery periods initially set for December 2021, later extended via amendments
- Cancellation upon breach or nonperformance
- Recovery of damages, attorneys’ fees, interest, and collection costs
- Performance assurances under NGFA Grain Trade Rule 28

The overview of the dispute is as follows:

- Ertel Farms failed to deliver the contracted grain despite multiple extensions of the contracts.
- The Andersons canceled the contracts in June 2022, after its requests for assurance were not met by Ertel Farms.
- Ertel Farms asserts defenses including that the contracts were invalid, accord and satisfaction, unconscionability, and mutual mistake.

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

- The contracts were executed and signed by Ertel Farms, with repeated amendments extending delivery.
- The Andersons communicated confirmations and amendments; no written objections from Ertel Farms were forthcoming.
- In 2022, The Andersons sought performance assurances twice (April and June); Ertel Farms failed to respond as would have been expected.

- The Andersons canceled all three contracts on June 27, 2022.
- Ertel Farms tendered a \$70,000 partial payment.
- The Andersons initiated arbitration seeking the contract balance and related costs.

The main arguments by The Andersons are as follows:

Contract Formation: The contracts were enforceable under NGFA Grain Trade Rule 3(A); no timely written objection was made by Ertel Farms.

Right to Cancel: Ertel Farms' failure to respond with adequate assurances within the time requested by The Andersons triggered its right to cancel the contracts under NGFA Grain Trade Rule 28.

Accord/Satisfaction: The \$70,000 payment by Ertel Farms did not constitute full satisfaction of the claim; no conspicuous or sufficient statement accompanied the payment to support that conclusion.

Damages: Damages calculated using replacement value methodology pursuant to the contract terms and norms of the trade. The Andersons is entitled to:

- \$68,787.50 (contract balance)
- \$1,500 (arbitration fee)
- \$37,841.25 (attorneys' fees)
- Interest at the Prime Rate

The main arguments by Ertel Farms are as follows:

Contracts Invalid: The contracts were invalid due to a misunderstanding of delivery years and/or pricing terms.

Unconscionability: The contracts were both procedurally and substantively unconscionable due to a lack of understanding of their terms by Ertel Farms and economic pressure from The Andersons.

Accord/Satisfaction: The \$70,000 payment and accompanying letter constituted full settlement of the dispute and should bar any further recovery; "settlement" constituted requirements of accord and satisfaction.

Mutual Mistake: Both parties operated under a mutual understanding about the crop year, pricing, and/or contract structure, contrary to The Andersons' positions and arguments.

Limited Damages: Ertel Farms seeks either return of the payment or reduced damages calculated using September 2021 prices CBOT prices (Corn: \$5.175 and Soybeans: \$12.625), which would substantially reduce the amount The Andersons claims it is owed.

THE DECISION

The arbitrators came to the following unanimous conclusions:

- The contracts are enforceable under NGFA Grain Trade Rule 3(A) and consistent with the parties' course of dealing.
- The Andersons rightfully requested assurances and canceled the contracts after Ertel Farms failed to respond, consistent with NGFA Grain Trade Rule 28(B).
- Ertel Farms' payment did not meet the legal threshold for accord and satisfaction under applicable legal and industry standards, including Ohio Rev. Code §1303.40; no conspicuous language established that this represented a full settlement.
- The contract defenses of unconscionability and mutual mistake are unsupported by evidence or precedent.
- Thus, The Andersons is entitled to recover damages for the remaining contract amount balance of \$68,787.50, plus interest from June 27, 2022, at the Prime Rate (4.75%). No additional damages are awarded to either party.

THE AWARD

The arbitrators awarded \$68,787.50 in damages to The Andersons, Inc. from Ertel Farms, Inc. Interest shall accrue on the award at a rate of 4.75 percent, pursuant to NGFA Arbitration Rule 6(F) from June 27, 2022, until the award is paid in full.

Decided: July 15, 2025

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

Amelia Prickett-Wiesen, *Chair*
VP, Compliance & Transactions
Green Plains, Inc.
Omaha, NE

Jeff Kaeb
Chief Risk Officer
Grainland Farmers
Eureka, IL

Scott Thiel
DDGS Marketing Services
CHS Inc.
Inver Grove Heights, MN