



National Grain and Feed Association Arbitration Decision

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April 7, 2026

CASE NUMBER 3131

PLAINTIFF: BANGHART PROPERTIES LLC, GETTYSBURG, SOUTH DAKOTA

DEFENDANT: US COMMODITIES, LLC, MINNEAPOLIS, MINNESOTA

STATEMENT OF THE CASE

The parties in this case, Banghart Properties LLC and US Commodities, LLC entered into a contract for US Commodities to purchase 10 shipments of millet (approximately 500,000 pounds) from Banghart for shipment between January 1 and March 31, 2023. The contract stated “FOB Gettysburg.” There was no dispute regarding the terms of the contract.

On April 11, 2023, US Commodities notified Banghart that the contract was being cancelled due to underlying issues with Banghart’s grain license issued by South Dakota Public Utilities Commission (SDPUC). Banghart subsequently informed US Commodities that US Commodities was in default of the contract pursuant to NGFA Grain Trade Rule 28 [Failure to Perform]. Banghart claims damages of \$21,900 (\$20,000 due to a four cents-difference in market value plus \$1,900 as a carrying charge for the two-months delay in shipment).

THE DECISION

US Commodities states it learned in early April 2023, of a cease-and-desist order issued by the SDPUC, dated January 12, 2023, which required Banghart to cease from continuing operations as a grain buyer. According to US Commodities, this legal action by SDPUC caused US Commodities to be unsure of Banghart’s ability to perform on the contracts, and on April 11, US Commodities notified Banghart that the contracts were being cancelled due to the underlying issues with Banghart’s grain license.

This arbitration committee notes that parties are entitled, including under the Uniform Commercial Code (UCC), to require assurance of performance from their counterparties. However, the arbitrators in this case conclude US Commodities’ cancellation of the contract occurred well after the final shipping under the contract. This was a FOB contract, and no evidence was presented of an attempt by US Commodities to ship during the original shipment period under the contract of January 1 through March 31, 2023.

Therefore, the committee concludes that US Commodities was in default based upon NGFA Grain Trade Rule 28(B) [Buyer’s Non-Performance].

THE AWARD

Market values were provided by Banghart justifying the four cents-difference in price between contract and market. The committee notes that Banghart could have notified US commodities of its default on a timely basis, and the committee also notes that no agreement was suggested to extend the contract. Therefore, the committee denies the \$1,900 carrying charge and awards \$20,000 in damages to Banghart for the difference in contract and market prices.

Decided: October 9, 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