



April 7, 2026

CASE NUMBER 3132

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 two contracts in November 2022, for the purchase of sunflowers by US Commodities from Banghart. The first contract was for 20 shipments of sunflowers and the second for 30 shipments of sunflowers. The delivery period for both contracts was July 1 to September 30, 2023. There was no dispute regarding the terms of the contracts.

On April 11, 2023, US Commodities notified Banghart that the contracts were 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 pursuant to NGFA Grain Trade Rule 28 [Failure to Perform]. Banghart claims \$228,750 for contract losses of \$228,750 and \$150,000 for harm to Banghart's reputation.

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. The parties then exchanged various emails disputing the implications of the cease-and-desist order, and on May 11, Banghart informed US Commodities that it was in default on the contract.

This arbitration committee notes that parties are entitled, including under the Uniform Commercial Code (UCC), to require assurance of performance from their counterparties. The arbitrators in this case conclude that in April 2023, US Commodities had reason to be concerned about the performance of the contracts based on SDPUC's cease-and-desist notice. The arbitrators note that Banghart claims the situation related to that order was resolved on July 7, 2023. However, US Commodities was not obligated to wait months to ascertain whether or not Bangart could perform on the contracts. The arbitrators conclude that it was reasonable in April for either or both parties to have determined there to be a lack of reasonable and adequate assurance that the contract would be performed upon. Therefore, US Commodities properly exercised its right to cancel the contracts pursuant to NGFA Grain Trade Rule 28(A) [Seller's Non-Performance].

THE AWARD

The arbitrators rule in favor of US Commodities and dismiss Banghart's claims of \$228,750 for contract losses and \$150,000 for reputational damages.

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



April 7, 2026

ARBITRATION APPEAL CASE NUMBER 3132

Appellant/Plaintiff: Banghart Properties LLC, Gettysburg, South Dakota

Appellee/Defendant: US Commodities, LLC, Minneapolis, Minnesota

DECISION OF THE APPEALS COMMITTEE

This arbitration case was filed by Banghart Properties LLC (Banghart) against US Commodities, LLC (US Commodities) claiming that US Commodities failed to take 50 loads of sunflowers that had been contracted between Banghart and US Commodities for shipment July 1 – September 30, 2023. Banghart seeks \$228,750 in damages from US Commodities in addition to \$150,000 for harm to Banghart’s reputation.

The original three-member Arbitration Committee unanimously decided that US Commodities was justified in cancelling the contracts. The original committee further dismissed Banghart’s claim for reputational damages.

The Arbitration Appeals Committee, both individually and collectively, reviewed all the arguments and supporting documents provided in the record for this case, which included the findings and conclusions reached by the original Arbitration Committee. The Arbitration Appeals Committee further reviewed the briefs of the appellant and the appellee submitted in the appeal.

US Commodities entered into two contracts in November 2022 to purchase approximately 50 loads of sunflower seed from Banghart with shipments to occur from July 1 to September 30, 2023. US Commodities sent confirmations of both trades to Banghart, which a representative of Banghart signed. There was no submission into the record of the case that Banghart issued its own confirmations of the trades. Pursuant to NGFA Grain Trade Rule 3 [Confirmation of Contracts] (B):

If either the Buyer or the Seller fails to send a confirmation, the confirmation sent by the other party will be binding upon both parties, unless the confirming party has been immediately notified by the non-confirming party, as described in Rule 3(A), of any disagreement with the confirmation received.

Banghart had been issued a Class B grain buyers license that was effective July 1, 2022 – June 30, 2023, to purchase grain within the state of South Dakota. On January 12, 2023, South Dakota Public Utilities Commission (SDPUC), after conducting a routine inspection, determined Banghart had exceeded the permitted monetary limit of its license and issued a cease-and-desist order that barred Banghart from making additional grain purchases under that license. It is unclear to the Appeals Committee from the documents submitted in the case if Banghart informed US Commodities of the SDPUC’s order or if US Commodities discovered that the order had been issued on its own.

On April 11, 2023, US Commodities cancelled the sunflower seed contracts referring to Paragraph 8 of the “Purchase Terms and Conditions” printed on the back of each contract, which reads:

Seller represents that he is not insolvent, as that term is defined by the Uniform Commercial Code. If Seller’s financial condition is found to be or becomes unsatisfactory to Buyer during the term of the contract, Buyer may terminate the contract, and may also terminate all other contracts covering the purchase by Seller of Buyer’s products, whether or not Seller may otherwise be in default, and no rights shall accrue to Seller against Buyer on account of such termination.

The original Arbitration Committee concluded and this Appeals Committee affirms that Banghart could not legally purchase grain from producers in South Dakota since its grain buyers license had been suspended, and it was unknown if Banghart would be able to obtain a new license by July 1, 2023. Per the terms of the contracts, US Commodities was consequently justified in placing Banghart into default and cancelling the contracts.

As members of the National Grain and Feed Association, we are bound by the Association’s Code of Ethics, which reads in part to: *“Exert every reasonable effort to maintain and promote the highest ethical and honest procedures in the transaction of business by members of the Association.”*

The Arbitration Appeals Committee was dismayed by the lack of dialogue between the buyer and seller in this case after the contracts were formed that led to the filing of this arbitration. When Banghart’s Class B grain buyer’s license was suspended by SDPUC, Banghart *should* have informed US Commodities it was working with SDPUC to reinstate its Class B license. Banghart could then purchase grain from producers in South Dakota and fulfill its contractual commitments. Conversely, when US Commodities learned of the suspension of Banghart’s license, US Commodities *should* have requested adequate assurances from Banghart on how it intended to implement shipments to complete the contracts. Actions by both parties were lacking.

AWARD

The Arbitration Appeals Committee unanimously affirms the decision of the original Arbitration Committee in favor of US Commodities, LLC, and dismisses Banghart Properties LLC's claim of \$228,750 in contract losses and \$150,000 in reputational damages.

Decided: February 4, 2026

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

Jay Mathews, Chair
CEO
Prairieview Grain Trading
Champaign, IL

Sean Broderick
Director, Risk – Ethanol and DDG
CHS, Inc.
Inver Grove Heights, MN

Edward Milbank
President
Milbank Mills Inc.
Chillicothe, MO

Jean Bratton
CEO
Centerra Co-op
Ashland, OH

Robert Geers
VP of Merchandising
Michigan Ag. Commodities
Lansing, MI