



National Grain and Feed Association Arbitration Decision

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December 15, 2025

CASE NUMBER 3139

PLAINTIFF: BUNGE NORTH AMERICA, LEGRANGE, MISSOURI

DEFENDANT: WILLIAM PARSONS, MEMPHIS, MISSOURI

STATEMENT OF THE CASE

The plaintiff, Bunge North America, Inc. (Bunge), and the defendant, William Parsons (Parsons), entered into contract 2001998881 (dated August 21, 2020), which included a Financial Risk Management (FRM) Addendum, that Bunge claims resulted in contract 1000988943. Bunge is claiming Parsons failed to perform on contract 1000988943 and is asking for damages of \$34,500, plus interest and arbitration fees of \$1,500.

Parsons delivered 10,000 bushels of US #2 Yellow Corn under the terms of contract 2001998881, which included the FRM Addendum that provided the special terms for the short option premium of 20 cents paid directly to Parsons in November 2020.

On November 26, 2021, the December 2021 corn futures closed above \$3.70, triggering the additional obligation of 10,000 bushels under the FRM Addendum. Parsons was informed of this obligation on December 1, 2021, at which time he requested that contract 1000988943 be rolled to December 2022 at an inverse of 24 cents as he was out of corn and was unable to pay the market difference to buy out his obligation.

There was no evidence presented of communication between Bunge and Parsons from December 2020 until December 1, 2021, regarding the FRM.

On October 17, 2022, Parsons informed Bunge that he would not be delivering the additional 10,000 bushels. Bunge then informed Parsons it would be canceling the contract at the close of business on October 18, 2022, and issuing an invoice for the market difference and a cancellation fee per the contract terms. On October 24, 2022, Bunge sent a letter via Federal Express, which included a copy of the cancellation contract and the invoice, requesting that Parsons make a payment of \$34,500 for his failure to perform on contract 1000988943.

Bunge again reached out in September 2023 concerning the invoice in question. According to Bunge, Parsons selected one of Bunge's repayment options but failed to follow through on repayment.

Parsons does not dispute the validity of contract 2001998881 or that he signed it. Parsons did not sign contract 1000988943, and he disputes that he owed Bunge the additional bushels.

THE DECISION

The arbitrators find that the original contract (2001998881) was signed and presumed to be understood by both parties. The original contract amount was delivered upon by Parsons and settled between the parties.

Regarding the claims by Parsons of “trickery” in the contract not clearly and concisely stating its terms, the arbitrators conclude that potential obligations were created for a future date under the “special terms” (FRM Addendum) portion of the contract.

The arbitrators acknowledge that the description of the FRM Addendum in the original contract was less than optimal, however, that does not nullify the requirement set forth in the FRM Addendum that was signed by both parties in August 2020.

Since contract 2001998881 was signed and assumed to be understood by the signing parties, contract 1000988943 was created as the result of the terms of the FRM Addendum. NGFA Grain Trade Rule 3(A) [Confirmation of Contracts] applies in this case as Parsons requested the contract be “rolled” to a deferred month.

Furthermore, Bunge followed NGFA Grain Trade Rule 28(A)(3) when it was informed that Parsons would not be performing on contract 1000988943. The arbitrators unanimously conclude that Bunge should be awarded \$34,500.00, without interest or fees, in damages.

THE AWARD

The arbitrators awarded \$34,500.00 in damages to Bunge North America, Inc. from William Parsons.

Decided: April 15, 2025

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

Amy Nelson, *Chair*
Lead Grain Advisor – West Region
Central Farm Service
Truman, MN

Andrew Clements
Feed Ingredients Merchant
Arizona Grain Inc.
Casa Grande, AZ

Brian Strazi
Chief Financial Officer
Farmers Grain Terminal Inc.
Greenville, MS