



National Grain and Feed Association Arbitration Decision

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April 5, 2016

CASE NUMBER 2765

**PLAINTIFF: GREEN PLAINS TRADE GROUP LLC
OMAHA, NE**

**DEFENDANT: DFS PREMIUM FEED SUPPLEMENTS
DUBLIN, TX**

FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Green Plains Trade Group LLC (Green Plains), requested the entry of a default judgment in the amount of \$19,244 against the defendant, DFS Premium Feed Supplements (DFS). The default judgment is granted for the reasons set forth below.

Green Plains submitted an arbitration complaint dated August 20, 2015 to the National Grain and Feed Association (NGFA). The complaint alleged that DFS failed to perform under contracts 151281, 151282, and 151283 for a total of 64,800 bushels of #2 yellow corn.

The contracts stated “NGFA Trade Rules to Apply”. The contracts also specifically stated:

Except as otherwise expressly provided for herein, this Contract is subject to NGFA trade rules in effect on the date hereof, and any disputes of any nature with respect to this Contract will be arbitrated in accordance with the NGFA trade rules, and any decision therefrom shall be final and binding

Acting upon Green Plains’ complaint, NGFA prepared an arbitration services contract and submitted it to GP for execution. By Federal Express dated September 28, 2015, NGFA also sent to DFS a letter providing notice of these proceedings with copies of Green Plains’ complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. Federal Express confirmed that this mailing to DFS was received on October 9, 2015.

Upon receipt of the duly executed arbitration services contract from Green Plains, NGFA then sent it with accompanying correspondence to DFS by Federal Express on October 21, 2015. After confirming with Federal Express that the mailing was not delivered to DFS, NGFA resent the arbitration services contract with the accompanying correspondence on November 13, 2015. Federal Express confirmed that this mailing to DFS was received on November 23, 2015.

NGFA’s letter of October 21 to DFS specifically provided notice that Rule 2 of the NGFA Arbitration Rules required that the signed contract be returned within fifteen (15) days.

On December 22, 2015, NGFA sent to DFS another letter by Federal Express. Federal Express confirmed this mailing was delivered on December 24, 2015.

NGFA's letter of December 22 to DFS specifically stated "NGFA Arbitration Rule 2(E) provides for the entry of a default judgment when a party fails to execute the arbitration contract and pay the service fee within fifteen (15) days."

NGFA has yet to receive an executed arbitration services contract from DFS, despite the repeated attempts by NGFA to contact DFS.

DEFAULT JUDGMENT

NGFA established jurisdiction over this matter pursuant to the express terms of the contracts and by way of Green Plains' status as a NGFA active member.

Green Plains properly and in a timely manner filed its complaint under NGFA Arbitration Rule 2(A). Pursuant to Rule 2(B), NGFA then submitted an arbitration services contract to the parties. Rule 2(D) states that, "Each party must return the completed arbitration services contract within 15 days from the date the party receives it from the NGFA Secretary." Green Plains properly executed and returned the arbitration services contract. DFS refused to comply with the NGFA Arbitration Rules, and refused to respond to any requests from NGFA for the executed contract.

NGFA Arbitration Rule 2(E) provides for the following:

Where a party fails to execute the arbitration services contract or pay the arbitration services fee, the NGFA Secretary may without further submissions by the parties enter a default judgment or such other relief as the NGFA Secretary deems appropriate.

As it appears that DFS made a conscious decision to disregard these arbitration proceedings, pursuant to Rule 2(E) of the NGFA Arbitration Rules, the NGFA Secretary finds that entry of default judgment against DFS is proper and warranted.

NGFA Arbitration Rule 2(E) also sets forth the requirements and conditions under which, "[a]ny party against whom a default judgment has been entered may apply to vacate the default judgment within 15 days of entry of the default judgment."*

THE AWARD

THEREFORE, IT IS ORDERED THAT:

1. Green Plains Trade Group LLC is awarded judgment against DFS Premium Feed Supplements for \$19,244.
2. Interest on the judgment shall accrue at the statutory rate available for judgments in the applicable jurisdiction from this date until paid in full. This award is not intended to preclude the plaintiff from pursuing an additional award for interest, legal fees or costs in a court of law.

Dated: February 29, 2016

NATIONAL GRAIN AND FEED ASSOCIATION

By: Charles M. Delacruz
NGFA Secretary

* On February 29, 2016, NGFA entered the default judgment against the defendant. The defendant was advised regarding the procedures for applying to vacate the default judgment, but the defendant did not apply to vacate the default judgment.