



# Arbitration Decisions

August 9, 1984

Arbitration Case Number 1611

Plaintiff: Bement Grain Co., Bement, Ill.

Defendant: A.E. Staley Manufacturing Co., Decatur, Ill.

## Statement of the Case

On Oct. 5 and 6, 1983, Bement Grain Co. sold A.E. Staley Manufacturing Co. three lots of corn totaling 177,500 bushels. Properly signed contracts and statements by the plaintiff indicated a long-standing trading relationship between the two parties, with nothing at issue between them regarding contract definitions, terms, procedures or methods. A contractual "destination weights and grades" term -- which was undefined as to whether it referred to house or official grades -- apparently was understood by both parties and had been used previously many times.

The 177,500 bushels of corn were loaded and shipped with the plaintiff "not denying that we put some old crop damaged corn into the cars." Bement Grain Co. further asserted, "all (cars) were loaded assuming a fair sample would be taken by the automatic sampler, as has been done in the past."

Bement Grain Co. subsequently disputed A.E. Staley Manufacturing Co.'s sampling results on eight of 47 cars in the shipment, which reflected total damage discounts of \$6,277.24. There was no dispute concerning the 39 other cars, on which no discounts were assessed.

There appeared to be no controversy over the fact that A.E. Staley Manufacturing Co.'s automatic sampler was inoperative when four of the disputed cars were unloaded by substituting a "by hand" sampling method (apparently at the outlet gate of the cars). Bement Grain Co. "feels that if the automatic sampler had been working, or if the 'proper' hand sampling procedure had been followed, the grades on the eight cars would have been similar to the balance of the shipment." Bement Grain Co. remains silent on the fact that A.E. Staley Manufacturing Co.'s automatic sampler was used on four of the eight cars involved in the dispute.

## The Decision

It appears Bement Grain Co. was not blending corn as it was loaded. Rather, it was depending upon A.E. Staley Manufacturing Co.'s automatic sampler to blend the shipment for Bement Grain Co. This uneven and unusual process, fraught with risk to both shipper and receiver, did not preclude the arbitration committee from examining the data on A.E. Staley Manufacturing Co.'s sampling methods and procedures with which the committee cannot find particular fault.

Thus, the committee rejects Bement Grain Co.'s claim and finds in favor of the defendant.

Submitted with the consent and approval of the arbitration committee, whose names are listed below.

ROBERT S. CARTMILL, chairman  
Lincoln Grain Inc.  
Lincoln, Neb.

MARTIN H. BAILEY  
Farmers Elevator Co.,  
Oakville, Ind.

WILLIAM E. PALMER  
Terminal Grain Corp.  
Sioux City, Iowa