



NATIONAL GRAIN AND FEED ASSOCIATION

# Arbitration Decisions

June 27, 1985

## Arbitration Case Number 1617

Plaintiff: Cargill Inc., Minneapolis, Minn.  
Defendant: Amiret Grain Co., Amiret, Minn.

### Statement of the Case

The plaintiff acquired from the Commodity Credit Corporation (CCC) 29,096 bushels of U.S. No. 4 yellow corn in-store at the defendant's elevator in Amiret, Minn., through a "swap" arrangement under the U. S. Department of Agriculture's payment-in-kind program of 1983.

On Jan. 6, 1984 and Jan. 7, 1984, respectively, both the plaintiff and the defendant received notification from USDA's Kansas City Commodity Office that loading order FWC-20119-9305 for 29,096 bushels of U.S. No. 4 yellow corn was released in-store for the account of the plaintiff. Storage payments stopped for the account of CCC the date of the wire.

It was the plaintiff's option to sell the grain in-store to the defendant, or to request physical loadout of the grain. On Jan. 12, 1984, the plaintiff sold the defendant 29,096 bushels of U.S. No. 4 yellow corn in-store at Amiret, Minn.

The defendant's settlement of grain purchased showed a 6-cent-per-bushel charge for storage. The defendant justified its storage charges based upon its tariff. The tariff states: "Storage, including insurance and conditioning, at the rate of 98.6 thousandths of a cent per bushel per day or part thereof from date of deposit with a 6-cent minimum charge."

### The Decision

It is a common occurrence in the industry to pass title to grain through the transfer of warehouse receipts. As the title passes, there is no precedent in the industry for assessing a new minimum storage charge to subsequent holders of those receipts.

In this case, the defendant's tariff clearly referred to the date of deposit when addressing storage charges. The change in ownership does not constitute a new deposit into storage.

Thus, the arbitration panel found that the defendant imposed improper storage charges on the plaintiff. The proper assessment of storage charges by the defendant to the plaintiff was at a rate of 98.6 thousandths of a cent per bushel for six days.

The Award

The plaintiff is awarded the amount of overcharge for storage (\$1,573.63). Interest is awarded at a rate of 11.5 percent, a rate of 1 percent over the prime rate during the applicable period, payable for the period from Jan. 16, 1984 to the date of payment.

Submitted with the consent and approval of the arbitration panel, whose names are listed below:

THOMAS J. SCHNAPP, chairman  
Checkerboard Grain Co.  
Kansas City, Mo.

FRED PAGE  
General Mills Inc.  
Great Falls, Mont.

JOHN McCULLEY  
Oakville Feed and Grain Inc.  
Oakville, Iowa