



September 23, 2022

## CASE NUMBER 2884

**PLAINTIFF: COFCO INTERNATIONAL GRAINS US LLC  
CHICAGO, IL**

**DEFENDANT: URSA FARMERS COOPERATIVE COMPANY  
URSA, IL**

### STATEMENT OF THE CASE

The dispute between COFCO International Grains US LLC (“CIGUS”) and Ursa Farmers Cooperative Company (“Ursa”) hinges on whether or not the broker contract required an Official Class A “White” aflatoxin quality Certificate or Official Class C “Pink” Certificate.

CIGUS purchased 120,000 bushels of non-GMO #2 yellow corn from Ursa through a third-party broker (contract 220010006), on January 16, 2019. Both parties agreed to the contract terms without objection at the time.

The two barges in dispute in this case loaded on July 20, 2020, and July 24, 2020. Ursa emailed CIGUS on July 28, 2020, to apply these barges to contract 220010006. Ursa then sent required documents pursuant to the contract to CIGUS for preparation of advance payment of these barges in dispute. On July 31, 2020, CIGUS accepted and paid the full amount of Ursa’s advance invoices for these two barges. CIGUS claims that the documents submitted by Ursa, specifically the aflatoxin certificate, were incorrect under the contract requirements. CIGUS argues the contract required Official Class A aflatoxin certificate (White Sheet), but Ursa only submitted Office Class C certificate (Pink Sheet).

Ursa claims that CIGUS accepted all the documents submitted under the contract, including the Class C Pink Sheet aflatoxin Certificate. According to Ursa, if CIGUS had refused the submitted documents initially, something more could have been done near origin to provide for the aflatoxin report subsequently sought by the buyer.

### THE DECISION

The committee determined the following specifics in this case to be important:

- Both parties agreed to the contract without dispute for 18 months prior to loading and unloading of the barges in question.
- No NGFA Trade Rules were violated by either party.
- The committee relied upon standard industry trade practices with regard to its final decision on whether either party had failed to perform upon the contract in dispute. This included prior non-

GMO barge trades between both parties with the exact same documents related to other barges and contracts that the parties had traded together without issue or dispute.

The committee also considered the following as key relevant facts:

- CIGUS initially accepted the aflatoxin report and paid the advance invoice request from Ursa.
- CIGUS had the grain probed by a hired third party upon arrival of the barges in Convent, Louisiana. Based on the results of the probe, CIGUS did not order testing for aflatoxin.
- In a declaration included in CIGUS’ rebuttal argument presented in this case, a representative of CIGUS states: “Based on the low Pink Certificate origin aflatoxin testing results, and grade and quality testing which showed the corn had not deteriorated in transit, CIGUS did not at that time, order aflatoxin testing.”
- CIGUS agreed to allow another company to unload the barges into its export facility.

CIGUS had three opportunities to reject these two barges based upon aflatoxin issues. It is the committee’s unanimous decision that CIGUS accepted full ownership and, therefore, any risk associated with these two barges in dispute.

<b>THE AWARD</b>
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No damages are awarded in this case.

Decided: August 16, 2022

**SUBMITTED WITH THE UNANIMOUS CONSENT OF THE ARBITRATORS, WHOSE NAMES APPEAR BELOW:**

**Kent Hamm, *Chair***  
General Manager  
The DeLong Co., Inc.  
Minooka, IL

**Dan Wegner**  
Commodities Manager  
United Wisconsin Grain Producers LLC  
Friesland, WI

**Carrie Williams**  
Merchandising Manager  
AgMark LLC  
Concordia, KS