



December 9, 2024

CASE NUMBER 2934

**PLAINTIFF: INDIGO AG, INC. AND ITS WHOLLY-OWNED SUBSIDIARY,
INDIGO MARKETPLACE, LLC
MEMPHIS, TN**

**DEFENDANTS: BEASTROM FARMS AND TERRY BEASTROM
PIERRE, SD**

STATEMENT OF THE CASE

The plaintiffs, Indigo Ag, Inc. and its wholly-owned subsidiary, Indigo Marketplace, LLC (collectively, “Indigo”), and defendants, Beastrom Farms and Terry Beastrom (collectively, “Beastrom Farms”) entered into contracts 82PH2HRRLPZ (10,000 bushels (bu.), \$7.75/bu., delivered Harrold, SD) and PS653NQ1TDQ (20,000 bu., \$8.25/bu., delivered Harrold, SD), which were governed by a Marketplace Seller Agreement (MSA).

The arbitrators noted the sequence of events leading up to this dispute were as follows.

- March 29, 2020: Beastrom Farms signs Indigo’s MSA (Terry Beastrom’s signature appears on the MSA).
- September 4, 2020: Fearless Grain Marketing (FGM) sends an email to Indigo and Indigo’s end-buyer. The subject line in the email was “offers and trades,” and the email provided for 10,000 bu. of millet, “Harvest,” \$7.75/bu., Grower Terry Beastrom. Beastrom Farms was not included as a recipient on this email.
- October 2, 2020: Indigo enters into contract 82PH2HRRLPZ (10,000 bu.) through the Indigo Marketplace (Indigo’s proprietary grain trading platform) naming the account manager on its behalf as the user and setting delivery for Oct. 3 – Nov. 2, 2020.
- October 15, 2020: Indigo enters into contract PS653NQ1TDQ (20,000 bu.) through the Indigo Marketplace, naming the account manager on its behalf as the user and setting delivery for Oct. 9 – Dec. 31, 2020.
- October 15, 2020: FGM sends an invoice to Beastrom Farms for the two “Millet Direct Marketings” dated Sept 8 and 10, 2020.
- January 19, 2021: FGM emails Indigo regarding some open invoices and “contracts,” and FGM claims to put Indigo on notice of default.
- January 21, 2021: Indigo extends the 20,000 bu.-contract to delivery by March 31, 2021. Beastrom Farms does not confirm acceptance of the amended terms.
- February 4, 2021: Indigo’s customer success coordinator reports that Terry Beastrom called Indigo to state that Beastrom Farms will not be able to deliver the full amount under the millet contracts but does not provide how much it will deliver.

- February 19, 2021: Indigo increases the prices on the open millet contracts “Due to Indigo’s termination of an independent contractor relationship with a particular grain marketing adviser.” No record of Beastrom Farms agreeing to the contract alterations was provided.
- Contract 82PH2HRRLPZ: increased from \$7.75/bu. to \$9.00/bu.
- Contract PS653NQ1TDQ: increased from \$8.25/bu. to \$10.00/bu.
- March 4, 2021: Indigo’s grain marketing account coordinator reports speaking with Terry Beastrom, who informed that Beastrom Farms would not be able to perform and only had 15,000 bu. available.
- March 30, 2021: Indigo sends a letter to Beastrom Farms calling it in default of contract 82PH2HRRLPZ resulting in damages of \$85,000.
- Indigo advises Beastrom Farms the \$85,000 could be deducted from a future settlement against contract PS653NQ1TDQ.
- Beastrom Farms did not respond to the letter or deliver against the contract.
- April 26, 2021: Indigo sends a letter to Beastrom Farms calling it in default of contract PS653NQ1TDQ with resulting damages of \$145,000.
- Beastrom Farms did not respond to this letter.

Indigo claims Beastrom Farms failed to deliver and subsequently defaulted on two separate millet contracts, totaling 30,000 bushels. Indigo seeks \$233,000 plus interest in damages for the default.

Beastrom Farms claims Indigo failed to follow the NGFA Trade Rules and is not entitled to relief. Rather, Beastrom Farms claims damages of \$370,000 plus attorney fees for bin space appreciation and lost marketing opportunity.

THE DECISION:

The arbitration committee has concluded that all the parties involved failed to appropriately document the business that may have occurred or, at minimum, they failed to provide the committee with such documentation.

Throughout this arbitration, the presentations by the parties provided only partial and inadequate documentation and lacked appropriate detail and information. Numerous issues presented in this case could have been addressed with appropriate documentation detailing the series of events, participants, and dates involved.

The committee concluded this case fails to show a meeting of the minds occurred between the parties leading to an agreement for the formation of the contracts in question. The committee determined the parties failed to document the transactions by way of written contracts or broker confirmations conducted in a timely manner; Indigo failed to address the lack of any information during a critical 30-day period; and Indigo failed to explain the basis upon which its employee entered the contract in the Indigo Marketplace with the times and dates claimed by Indigo.

Numerous aspects to Indigo’s claims were inadequate, and in this case, Indigo allowed basic questions surrounding the contracts in question to remain unanswered.

The committee determined Indigo did not meet its burden entitling it to the relief sought in its claims, and likewise, Beastrom Farms did not meet its burden entitling to the relief sought in its counter claim.

The committee’s decision is unanimous.

THE AWARD

No damages are awarded in this case.

Decided: August 23, 2024

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

Chad Rosebrook, *Chair*
Vice President of Grain
Legacy Farmers Cooperative
Findlay, OH

Dan Mostad
General Manager
Berthold Farmers Elevator
Berthold, ND

Jeremy Sculthorpe
Risk Manager
ADM Ag Services & Oilseeds
Chicago, IL