



National Grain and Feed Association Arbitration Decision

www.ngfa.org | www.ngfa.org/decisions

1400 Crystal Drive, Suite 260
Arlington, VA 22202

P: (202) 289-0873
F: (202) 289-5388

February 19, 2025

CASE NUMBER 2946

PLAINTIFF: INDIGO AG, INC., MEMPHIS, TN

DEFENDANT: MICHAEL STAMER FARMS GENERAL PARTNERSHIP, AS ASSUMED NAME FOR MICHAEL STAMER, DESTINEE STAMER, AND DANNA MIKOSCH WILLMAR, MN

STATEMENT OF THE CASE

The plaintiff, Indigo Ag, Inc. (Indigo), and defendants, Michael Stamer Farms General Partnership, as Assumed Name for Michael Stamer, Destinee Stamer, and Dana Mikosch (collectively, “Stamer”), entered into the following contracts:

- Futures lock contracts of 500,000 bushels each on CZ20 futures, numbered MSA6F8F4CDC and MS3E886FCD1. Managed pricing program contracts of 100,000 bushels each on CZ20 futures, numbered MCBRO1000, MCBRO1001, MCBRO1002, MCBRO1003, and MCBRO1004; written on July 26, 2019. (the “2020 contracts”)
- Contract MNMPP00052 for 1.5 million bushels on CZ21 futures; written on July 20, 2020 (the “2021 contract”)

Indigo claimed \$2,025,960.24 plus \$105,000.00 cancellation fees (total damages of \$2,130,960.24) for the 2020 contracts on 1,050,000 bushels due to Stamer selling the grain and seeking buyout of the contracts.

Indigo also claimed default on the 2021 contract due to inadequate assurance of delivery of the 1.5 million bushels on Dec 30, 2021. Indigo’s claimed damages for the 2021 contract were \$2,851,087.50 plus \$150,000.00 in cancellation fees for a total of \$3,001,087.50.

The sequence of events leading up to the dispute are as follows:

- On July 26, 2019, the parties entered into the 2020 managed pricing program contracts (MCBRO1000, MCBRO1001, MCBRO1002, MCBRO1003, MCBRO1004).
- On August 29, 2019, the parties entered into the 2020 futures lock contract MSA6F8F4CDC
- On September 4, 2019, the parties entered into the 2020 futures lock contract MS3E886FCD1.
- On July 20, 2020, the parties entered into the 2021 contract (MNMPP00052 for 1.5 million bushels).
- August 29, 2019, through June 28, 2021, Stamer had multiple pricings, rolls, and pivots on the 2020 contracts.

- On June 28, 2021, Stamer informed Indigo that Stamer would need to buy out of the 2020 contracts as they had sold the bushels.
- August 3, 2021, Stamer agreed to the amount owed to Indigo via email.
- August through November 2021, multiple payments were made to Indigo.
- On December 28, 2021, Indigo sent a demand letter of assurance to Stamer.
- On December 30, 2021, Indigo deemed Stamer in default of the 2021 contract, and Indigo bought back the contract on December 31, 2021.

The main arguments by Indigo are as follows:

- Stamer failed to deliver and stated that they needed to pay/buyout of the 2020 contracts.
- Stamer had stopped paying once Indigo wanted a payment plan in writing.
- Stamer failed to deliver adequate assurance of delivery for the 2021 contracts; therefore, they were cancelled pursuant to the terms of the contract.

The main arguments by Stamer are as follows:

- Indigo did not live up to its marketing material. (There were no buyers on the Indigo Marketplace platform; Stamer had to look for a buyer; fees were high and there was no premium above the market such as the 25 cents Stamer was led to expect.)
- Indigo was slow to pay, which is a sign of a failing company. In the event of company failure, the farmers only get 5-9 cents on the dollar, which placed Stamer's at great risk.
- Stamer's line of credit was called in Spring/Summer of 2021.

THE DECISION

Stamer failed to deliver under the 2020 contracts and began paying the buyout of the contracts back to Indigo, which included the buyout difference less the cancellation fees of 10 cents per bushel that Indigo agreed to remove.

While in dispute and negotiations for payment on the on the first lot of canceled contracts, Indigo asked for adequate assurance that the 2021 contract would be delivered, and no assurance was given. The 2021 contracts was then cancelled by Indigo

The committee's decision is unanimous.

THE AWARD

Indigo Ag, Inc. is awarded \$4,877,047.74 from Michael Stammer Farms General Partnership, et al. for defaulting on their contracts. This award represents the sum requested (\$5,132,047.74) less cancelation fees on all bushels.

Interest will not be awarded in this case.

Decided: November 15, 2024

Submitted with the unanimous consent of the arbitrators, whose names appear below:

Kevin Green, *Chair*
Operations Manager
Farmers Grain Terminal Inc.
Greenville, MS

Bryce Hunsley
Reginal Trading Manager
ADM
Havana, IL

Daniel Wilkins
Regional Grain Manager
Superior Ag.
Huntingburg, IN