

## **A deal is a deal**

Keeping your word keeps a business strong

For many years North Dakota grain producers and grain elevators have enjoyed and prospered from a relationship based on trust and each fulfilling his obligations. The run-up in commodity prices over the past several months has created both opportunities and challenges for sellers and buyers. In a small number of cases it has created strains in relationships.

A critical link in grain marketing is everyone living up to commitments made. A deal is a deal is a deal. Market price movements of dollars per bushel may tempt some growers to under-fill or not deliver on sales contracts. Another temptation is to walk away from production contracts if a different crop appears more profitable. These actions can have serious repercussions for both parties.

The buyer has made corresponding sales commitments. If expected deliveries are not received, these commodities must be purchased at current market prices to cover shortfalls of grain already committed to the market. If there are losses, the buyer is left with little choice but to take measures to recover those losses. Arbitration or litigation could result, with costs to all parties concerned, financially and with regard to future relationships.

Growers and grain elevators depend on one another to produce and market a variety of high quality crops raised in this state. The North Dakota Grain Dealers Association reminds all parties involved of the legal, moral and business obligations involved in living up to commitments made between and among one another.

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