



P[T1] D[728x90] M[320x50] OOP[F] ADUNIT[] T[]

Farmer: Hansen-Mueller Misled Nebraska

Nebraska Farmer: Hansen-Mueller Made False Representations to State Regulators

12/11/2025 | 11:33 AM CST



By **Todd Neeley**, DTN Environmental Editor

Connect with Todd:

@DTNeeley



A Nebraska farmer has asked the U.S. Bankruptcy Court in Nebraska to void a corn-delivery contract he had with Hansen-Mueller Co., as part of the company's ongoing Chapter 11 bankruptcy. (DTN file photo)

LINCOLN, Neb. (DTN) -- Hansen-Mueller Co. told Nebraska regulators that 38 farmers in the state had been paid for grain deliveries as part of an agreement to reinstate the company's grain dealer license. But at least one Nebraska farmer said he remains unpaid and has asked a federal bankruptcy court to declare that a contract for future corn deliveries cannot be assumed or assigned by the company.

At the end of October 2025, the Nebraska Public Service Commission withdrew its complaint after Hansen-Mueller paid Nebraska farmers about \$2.1 million for grain deliveries.

Brian Schafer, a farmer from Culbertson, Nebraska, who said he still hasn't been paid by Hansen-Mueller, filed a motion with the U.S. Bankruptcy Court in Nebraska this week in the company's ongoing Chapter 11 bankruptcy.

Schafer asked the court to find that the contracts he has with the company to deliver about 1 million bushels of corn by the end of next year are not executory contracts and to declare them canceled or voided.

On Dec. 3, 2025, the court entered an order approving bidding procedures and the assumption of various contracts to be included in a planned asset sale.

Hansen-Mueller still owes Schafer about \$492,000 for the delivery of more than 102,000 bushels of corn before the company's license was suspended, according to the motion. He was not among the 38 Nebraska farmers who were paid.

"The suspension of debtor's grain license gave rise to an inability by debtor to perform under the contracts and constituted an anticipatory repudiation by debtor of its acceptance and payment obligations under the unperformed

contracts," Schafer's motion said.

More Recommended for You

Farmland Values Offset Ag Credit Woes
Will Farmland Values, Lower Interest Rates Save Midwest Farmers in 2026?



2/13/2026 | 9:50 AM CST
Midwest agriculture bankers expect agricultural credit conditions to worsen in 2026 despite rising...

Iowa Moves to Tap Hansen-Mueller Bond
Iowa Seeks to Use \$500K Hansen-Mueller Bond to Pay Farmers in Bankruptcy Case



2/10/2026 | 9:40 AM CST
Iowa requests federal court permission to use Hansen-Mueller's \$500,000 surety bond to...

"When debtor sought to have its grain license reinstated, debtor made intentionally false material representations to the department (Nebraska Public Service Commission) that debtor had paid all Nebraska producers when in fact debtor had not paid Schafer. This representation constituted further anticipatory repudiation by debtor of its payment obligations under the unperformed contracts."

The motion said Schafer "materially changed" his position on the contracts by entering into new grain contracts from Nov. 20, 2025, through Dec. 1, 2025, with other grain dealers for the sale of about 945,000 bushels of the 1 million previously contracted.

NEBRASKA PSC RESPONDS

When contacted by DTN, Nebraska PSC spokesman Jason McFarley said the state's agreement to reinstate Hansen-Mueller's grain dealer license in November was based on "verified documentation" at the time that showed all eligible Nebraska farmers who demanded payment or who were owed payment were paid by the company at the time of the agreement.

"Those payments were a required condition of license reinstatement and protected farmers with verified claims known to the PSC at that time," McFarley said.

"The PSC later learned that at least one Nebraska farmer who asserts an unpaid balance of more than \$500,000 was not originally included in that group due to a misunderstanding by Hansen-Mueller. The PSC took this development seriously and was actively reviewing the claim before Hansen-Mueller filed for Chapter 11 bankruptcy protection. The PSC is closely monitoring the case and evaluating all available legal options with the attorney general's office."

STATE EXPLORES OPTIONS

McFarley said the PSC is exploring options to help make more farmers whole, including exploring whether a security bond held by Hansen-Mueller could be used.

The unsecured creditors may also include some grain producers who carried so-called "price later" or deferred payment contracts with Hansen-Mueller. "These contracts were not included in the PSC's original agreement with Hansen-Mueller because payments were not due to producers at that time," McFarley said.

"Under its grain dealer license, Hansen-Mueller holds the maximum \$1 million security bond required by Nebraska law, and the PSC is actively exploring in the context of the bankruptcy filing whether that bond may be used to help satisfy any remaining valid debts owed to Nebraska grain producers. Protecting Nebraska farmers and ensuring producers are treated fairly remains the PSC's top priority in this matter."

Shares

McFarley said unsecured creditors referenced in the bankruptcy court filings likely include entities such as grain dealers and warehouses whose operations are not afforded the "same statutory protections" under the Nebraska Grain Dealer Act as individual grain producers.

"By law, the PSC's regulatory authority and financial protection tools in this matter extend only to Nebraska producers," he said.

Read more on DTN:

"Texas Farmers Scramble to Recover Funds," <https://www.dtnpf.com/...>

Todd Neeley can be reached at todd.neeley@dtn.com

Follow him on social platform X @DTNeeley

(c) Copyright 2025 DTN, LLC. All rights reserved.
DIM[1x3] LBL[] TMPL[feature] T[]

Related Content



Hansen-Mueller Leaves Farms in Limbo Harvest Payday Turns to Heartbreak: Hansen-Mueller Leaves Farmers Waiting



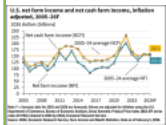
10/30/2025 | 8:45 AM CDT
Atmore, Alabama, farmer Brad Ward is among a growing list of U.S...

Editors' Notebook FFA Probe Triggers a Popeye Moment



2/9/2026 | 2:20 PM CST
The intimidation tactics becoming all-too familiar in politics today have now reached a trusted institution in...

USDA Projects Lower Net Farm Income USDA Projects Lower 2026 Farm Income, But Slashes 2025 Numbers



2/5/2026 | 3:57 PM CST
Net farm income, defined by USDA as a broad measure of profits, is expected to decline by \$4.1 billion, when...

Recommended for You



Ag Interest Rate Snapshot
Farm Credit Rates
Give Farm-Grown Valentine's Day Gift
Try a Soothing Milk-Based, Farm-Grown Valentine's Day Gift

Editors' Notebook
FFA Probe Triggers a Popeye Moment

Cash Market Moves
Deep Freeze Overtakes Illinois River System, Impedes Barge Traffic

Production Blog
Try a Soothing Milk-Based, Farm-Grown Valentine's Day Gift

DIM[1x3] LBL[article-box] SEL[] IDX[] TMPL[standalone] T[]

Todd Neeley



About the Author

Connect with Todd:

@DTNeeley

173
Shares



