

GCA Domestic Transportation Best Practices Initiatives

Introduction

A Domestic Transportation Best Practices Initiative within the coffee industry; primarily the handling of green coffee beans, is to encourage certain good and reasonable practices by shippers, carriers and warehouses as well as any point of domestic origin and destination.

Various components contain recommendations as well as information on numerous aspects of various handling and shipping practices prior to, during and after transit.

The Initiative also attempts to offer guidance within the coffee and transportation industries in respects to various dual party concerns such as defined in The Carmack Amendment, US Code 49, Section 14706.

- 1.0 FULL TRAILER LOAD SHIPMENTS
- 2.0 INTERMODAL
- 3.0 TRUCK/TRAILER/CONTAINER SPECIFICATIONS
- 4.0 LTL (LESS-THAN-TRUCKLOAD) SHIPMENTS
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1.0 FULL TRAILER LOAD SHIPMENTS

1.1 Weight & Volume

Current Federal Regulations restrict over the road tractor trailers and cargo weight combinations to no more than 80,000 lbs.

- 48-53' Dry Van trailers can usually load up to 44,000-45,600 lbs. Depending upon equipment type, make and model of tractor/trailer
- Intermodal Trailers/Containers can usually load up to 43,000 lbs.
- Refrigerated trailers can usually load up to 42,500 lbs.
- Refrigerated trailers will generally not be dry the same day the refrigeration unit is turned off and should only be utilized after confirming drying status.
- Confirm with carrier that available equipment (truck & trailer) can accommodate actual weight of cargo including pallet weight if relative to shipment.

1.2 Palletized and Floor Loaded green coffee

- It should be specified on the Delivery Order (DO) if shipment will be floor loaded or palletized by shipper and communicated to carrier.
- The majority of full truckloads of green coffee beans are floor loaded. Palletized shipments of green coffee beans can sometimes be more susceptible to torn bags and spillage from tipping, shifting and break down of shrink wrap integrity over longer hauls but are much more conducive to quicker on/off loading as well as storage if properly wrapped, banded and secured in trailer.

1.3 Sealing of trailers

- It is recommended that the utilization of a High Security Bolt Seal be affixed to trailer doors by either shipper's facility or driver. If possible observed and confirmed by both shipper's facility and driver with unique seal identification noted on Bill of lading, prior to departing shipper's facility.

1.4 General Information

- Shipments to certain destinations may require lumpers. (hired labor to unload/load trucks) Extreme attention needs to be given to scheduled pickup/delivery time. Carrier should obtain a lumper service receipt in order to validate actual cost of service.
- Shipper should notify carrier of value of shipment(s) to assure sufficient Cargo Insurance is in place. Carrier and shipper may agree to a released value waiver or arrange for a high value insurance rider if available from carrier or shipper.
- Pickup and delivery appointments must be scheduled either by customer or carrier. Parties should clarify responsibilities.
- Most asset based fleets are equipped with GPS tracking or communication devices for transit monitoring.

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2.0 INTERMODAL

- 2.1 Typically defined as truck-rail-truck multi asset transit and as an alternative mode in various lanes throughout North America that might be more economical and at times offer additional equipment availability or both.
- 2.2 Same trailer specifications as dry vans but with slightly lower weight capacity usually limited to 43,000 lbs.
- 2.3 Most railroads and IMC's (Intermodal Marketing Companies) are not liable for the first \$500 worth of cargo claim which is recognized as a Standard Deductible and is contained within most railroad providers Rules Agreement.
- 2.4 Railroads do not generally guarantee transit times and are not subject to delay penalties or rate negotiation for transit delays.
- 2.5 All rail shipments can be tracked in transit electronically by service provider or via cooperative web portal. <https://www.steelroads.com> User ID will be needed.

3.0 TRUCK/TRAILER/CONTAINER SPECIFICATIONS

- 3.1 53 Truck/Rail Trailers – Inside Dims 52'6" L x 8'2" W x 8'10" H
48 Truck/Rail Trailers – Inside Dims 47'6" x 8'2" x 8'10"
45' Rail Trailer – Inside Dims 44'6" x 8'2" x 8'10"
40' Container – Inside Dims 39'6" x 7'8" X 7'10"
- 3.2 Dry van trailers can usually load up to 44,000 lbs
- 3.3 Refrigerated trailers can usually load up to 42,500 lbs
- 3.4 Rail (Intermodal) containers/trailers can usually load up to 43,000 lbs
- 3.5 Weight should be confirmed with carrier
- 3.6 All trailers and containers should be clean, dry, odor and stain free; otherwise the trailer may not be loaded by the inspecting warehouse. The carrier should be informed of requirements so driver can inspect and clean trailer prior to loading.
 - Any trailers that have recently handled tires, noxious chemicals or any products with strong odors should not be used.
 - Loading warehouse is responsible to inspect and determine if carrier's trailer meets suitable condition, before product is loaded.

4.0 LTL (LESS-THAN-TRUCKLOAD) SHIPMENTS

- 4.1 General Conditions
 - Green coffee beans should not be combined or positioned in close proximity with any commodity having strong odors or Hazardous Material. Trailer must be clean, dry and odor free.
 - Most LTL common carriers do not carry more than \$5/lb of released value (cargo insurance). If the real value is more than \$5/lb, additional cargo insurance coverage may be available from service provider.
 - Carrier/driver should confirm piece count (bags or pallets) of loaded product during loading and unloading.

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4.2 Palletized LTL Shipment

- The standard number of bags on a 48 “ x 40” Grocery pallet is 8 to 10, depending on the weight and size of each bag. Consult with warehouse if unsure.
- If shipping on pallets, be sure pallet weight is included when requesting rate quotations.
- Pallets should be shrink-wrapped and strapped well to keep from tipping or shifting during transit and handling.
- Carrier should have securement devices such as straps or load bars to prevent palletized shipments from tipping over.

4.3 Floor Loaded LTL Shipments

- Floor loaded bags should not be moved during transit if possible. Preferably, the same trailer unit that picked up the shipment will be making the delivery of a sizeable floor loaded LTL shipment.
- Typically a shipper can load 6 to 10 bags per linear foot of trailer depending on the weight and dimension of bags. Consult with warehouse or carrier if unsure.

5.0 FREIGHT CLASS INFORMATION

- NMFC = National Motor Freight Classification,
- Green Coffee Bean NMFC is 72680.
 - Most Green Coffee Bean is class 60.
 - Most Roasted Coffee is class 65.
 - Classes may vary. The sub classifications are as follows, having a density in pounds per cubic foot of:

▪ Less than 1	400
▪ 1 but less than 2	300
▪ 2 but less than 4	250
▪ 4 but less than 6	150
▪ 6 but less than 8	125
▪ 8 but less than 10	100
▪ 10 but less than 12	92.5
▪ 15 but less than 22.5	70
▪ 22.5 but less than 30	65
▪ 30 or greater	60

5.1 NMFC Classification, weight and lane direction-distance are usually the main factors in pricing methodologies for LTL shipments moving via common carrier.

5.2 Classifications are not usually pricing factors when securing Truckload or Intermodal rates.

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6.0 COFFEE SPECIFICATIONS

6.1 Green coffee beans are usually packed in natural fiber bags made of burlap, jute, sisal, henequen or similar woven material without inner lining or outer covering of any material, properly sewn by hand or machine. They may also be packed in "Super Sacks" made of synthetic fibers, with carry straps on top capable of holding up to a metric ton (2,205 pounds) of coffee.

6.2 Weight in burlap bags of green coffee beans can fluctuate between 100-177 lbs per bag.

6.3 Some green coffees are shipped in wooden barrels (less common) that can range from 33-154 lbs.

6.4 Coffee in Supersacks

Supersacks are polypropylene bulk bags. A standard supersack measures approximately 36"x36"x60", and holds an average of 2,000 Lb of green coffee, or 1,000 Lb of roasted and ground coffee.

6.5 Up to 24 floor loaded supersacks can be shipped in a 53 ft trailer, as long as the total weight does not exceed the maximum allowed weight. This depends on the weight and size of each bag. Consult with warehouse if unsure. If shipping on pallets, be sure pallet weight is included when requesting rate quotations. Supersacks can be double-stacked for shipment, and they must be handled carefully to avoid tipping or shifting during transit.

6.6 Proper distribution of the load is essential to prevent overweight axle loads.

6.7 Carrier should have securement devices such as straps or load bars to prevent supersacks from tipping over.

6.8 Handling of organic coffees

- Should be noted on delivery order (DO) to keep separate from non-organic coffees, either by cardboard or slats.
- Extra care should be taken by carrier to sweep, clean or wash out trailer to be used for Organics.
- Pesticides or chemicals should not be used to clean trailer just prior to loading organic coffee.

6.9 Roasted/Finished coffee is bagged, canned, capsulated or otherwise packaged and then typically boxed and shipped on pallets. Shipper to verify weight and density to determine proper LTL shipping classification.

6.10 Classifications for finished product are based on weight density and can vary greatly. Freight classifications should be identified properly on bill of lading by NMFC number, Sub and Class distinction.

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7.0 DELIVERY EXCEPTIONS

7.1 Over/Short/Slack/Damaged or Wet Coffee Bags

- All exceptions should be noted on the bill of lading at the time of delivery. The delivering carrier/driver must be made aware and acknowledge at time of the occurrence.
- If notation is not made and acknowledged at time of delivery, there may not be any re-course for claim
- Damaged or wet coffee should be isolated from good-dry bags.
- Where possible, consignee should attempt to separate good bags from the wet or otherwise contaminated bags to prevent additional loss.
- Determine if damaged product can be reconditioned

8.0 CLAIM RESOLUTION

8.1 Basics

Cargo claims must be presented within the legally defined time period of nine months with proper documentations according to US Code CFR 370 and Carmack Amendment. The responsible party for freight Invoice cannot legally deduct or withhold payment of freight bill in lieu of proper legal claim procedures.

- Carriers have salvage rights to all cargo of which a claim is paid.
- Discarding damaged product without the carriers written authorization may void a claim
- Carrier has 30 days to acknowledge claim to claimant
- Carrier has 120 days to notify disposition of claim to claimant
- Claims should be filed in writing with supporting documentation including shippers and consignees signed Bill of Lading copies as well as any supporting documentation proving worth or actual cost of goods claimed.
- Non asset based carriers; aka transportation brokers, 3PL's are considered third party intermediaries and are not legally liable for cargo claims unless in cases of negligence to perform due diligence on underlying asset based carrier.
- Transportation Brokers may attempt to mediate claim with the underlying asset based carrier.
- 3PL's are responsible to perform due diligence on the underlying carrier to insure that at the time of booking or hiring that the underlying carrier does have sufficient insurances in place as called for by the FMCSA (Federal Motor Carrier Safety Administration) and in contractual obligations. Transportation

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brokers may and should provide reasonable assistance to shipper in providing or advising proper claim submissions.

- Carriers cannot be legally subject to performance penalties, unless agreed upon in writing prior to tendering shipments. Short pays or imposing service fines or penalties are against Federal Law per Carmack Amendment.

9.0 DUE DILIGENCE

9.1 Asset Based Carriers

It is recommended that the following be secured or reviewed prior to the initiation of service.

- A. Carrier customer references
- B. Copy of Carriers Operating Authority
- C. Copy of Carriers current Cargo and General Liability Insurance
- D. Verify carriers compliance status and Safety Rating on FMCSA (Federal Motor Carrier Safety Administration) website – <http://safer.fmcsa.dot.gov/>
- E. Credit check to determine financial status of carriers' ability to pay cargo claim deductibles.
- F. Execute shipper-carrier agreement if available
- G. Secure copy of carriers rules and Accessorial's, Fuel Surcharge Schedule

9.2 Non-Asset based Carriers

- A. Carrier customer references
- B. Verify compliance status on FMCSA website – <http://safer.fmcsa.dot.gov/>
- C. Credit check to determine carrier-broker payment history to underlying carriers and solvency.
- D. Review copy of carriers Broker-Carrier contract.
- E. Execute shipper-carrier contract if available
- F. Secure copy of carriers' rules and Accessorial's, Fuel Surcharge Schedule, General Liability.

10.0 SHIPPER-CARRIER AGREEMENTS

10.1 Model Shipper-Carrier Agreements are available via Industry Associations such as the TIA (Transportation Intermediaries Association), TCA (Truckload Carriers Association) and through a shipper's general counsel.

10.2 Agreements can be customized to meet specific shipper and carrier needs addressing issues that both parties might desire to have in writing.

11.0 CARMACK AMENDMENT US Code 49, Section 14706

11.1 Liability of carriers under receipts and bills of Lading

This Chapter of US Code will define various remedies, liabilities, for shippers and carriers as defined by Federal Law.

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12.0 TRANSPORTATION ASSOCIATIONS

12.1 The following transportation associations offer reference and educational resources.

NITL (National Industrial Transportation League)

TIA (Transportation Intermediaries Association)

TCA (Truckload Carriers Association)

IANA (Intermodal Association of North America)