



**LOGISTICS COMMITTEE**

**SUBCOMMITTEE ON CHARTERING**

**COFFEE SHIPMENTS BY CHARTERED VESSELS**

# **COFFEE SHIPMENTS BY CHARTERED VESSELS**

## **TABLE OF CONTENTS**

- I INTRODUCTION**
- II THE CARGO BROKERS**
- III VESSEL SUITABILITY**
- IV PAYMENT OF FREIGHT**
- V DISCHARGE OF PLACE OF REST**
- VI CLAIMS**
- VII THE CHARTER PARTY AGREEMENT**
- VIII DEFINITIONS**
- IX ABBREVIATIONS**

## I INTRODUCTION

In recent years the transporting of coffee on voyage chartered vessels has represented an increasing share of the shipments into the United States and Canada. Also noted is an increase in the number of participants involved in each chartered voyage.

The Terms and conditions incorporated in and added to the Charter Party Agreements generally being used at present have evolved by years of honing through experiences, trial and error.

The G.C.A. Traffic & Warehouse Committee decided that a fresh and thorough review of the present relevant terms, conditions and practices would be beneficial to the coffee industry as a whole. Thus, this subcommittee was formed to perform this review, to propose any recommended actions and to provide information for the benefit of the members of the Green Coffee Association of N.Y.C., Inc.

### SUBCOMMITTEE MEMBERS

Donald A. Pisano  
William Bajorski  
John Callahan  
Douglas Martocci, Sr.

Farr Man Coffee, Inc.  
Saks International, Inc.  
Johnson & Higgins, Inc.  
Continental Terminals, Inc.

### CONSULTANTS

Joe Carroll  
David Benham

Gateway Chartering Corp.  
Victor B. Benham & Co. Ltd.

This brieflet is the product of the Subcommittee on Chartering of the Traffic and Warehouse Committee of the Green Coffee Association of N.Y.C., Inc.

Several key areas of concern have been addressed and hopefully clarified herein or incorporated as clauses to the Charter Party. These include but are not limited to:

- the role of the cargo broker
- what constitutes a suitable vessel for coffee

- freight payments
- discharge terms
- claims recovery problems
- standardizing the Charter Party

Also provided herewith are definitions of the most commonly used words and terms encountered in dealings with chartered vessels.

## II THE CARGO BROKER

Cargo Brokers act as intermediaries between ship owners seeking employment for their ship or seeking to let space on a ship and charterers with cargo to move. It is the duty of the brokers to carry on negotiations on behalf of their respective principals and bring them to a mutually agreeable conclusion. Once negotiations have been concluded, it is the Broker's responsibility to immediately prepare the Charter Party and distribute same to the principals for execution.

When employing a cargo broker, the charterer should satisfy him/herself that the broker will represent his principal to the fullest, ensuring that the vessel proposed is suitable for the cargo, the owner is capable of performing the voyage, and that the Charter Party encompasses all special requirements of the charterers and the cargo.

The broker should fully advise the charterer on the market levels for freight rates, including where applicable, trade offs in price and quality. The broker should advise the charterer of the suitability, age and classification of the ships in question including any short-comings and the exposure those short-comings might cause to the cargo. The brokers should ensure the subject vessel is able to safely load, stow and carry the cargo to its destinations.

In evaluating the ability of the owner or time charterer to perform, the broker will generally rely on experience, the owner's reputation in the market as well as intelligence from corresponding brokers and agents.

In short, the cargo broker should be able to act as the charterer's "expert" in all matters relating to the trade. While the broker's commission is paid by the owner out of freight, the cargo broker's commission is paid by the owner out of freight; the cargo broker's loyalty should always be to the charterer.

### III VESSEL SUITABILITY FOR COFFEE

The ideal coffee ship is an open hatch, box hold, tween or single deck vessel which is electrically ventilated at least 20 times per hour, is geared with 15 mt cranes and is able to work two or more gangs. Such a ship properly dunnaged will provide protection from condensation and minimize the likelihood of stevedore damage. Such ships are not always available, or if available might not be economically feasible. In these cases trade offs must be examined. An evaluation of different variables follows.

#### 1. HATCHES

An open hatch ship means that preslung coffee can be directly stowed in and lifted out of the vessel without handling and with minimum exposure to contact with hatch coamings. Such a ship delivers coffee with a minimum of slacks. A vessel with a small amount of hatch under stow (the distance from the side to the hatch coaming) – up to 1.5 meters does not seriously degrade the quality of the coffee on delivery, but will slow production – ergo increase freight. Tweendeck tonnage with understow in excess of 1.5 meters will generally lead to increased slackage, and if they are considered, the importer/broker should allow for a higher stowage factor on the coffee to permit a pyramid stow of the coffee, leaving the area directly under the wings free of coffee. (See paragraph 2)

#### 2. CAPACITY

A vessel intake may be calculated on the following basis:

Open Hatch/Box Hold          60/62 cubic feet per mt preslung

Tweendeck w/large hatches   65 cubic feet per mt preslung

Tweendeck w/small hatches   70 cubic feet per mt preslung

A large hatch slip can be defined as having less than 1.5 meters

#### 3. VENTILATION

While 20 airchanges per hour are a desirable target, ventilation is a variable with wide acceptable limits. On moves from warm climates into winter discharge ports, the temperature differential between the ambient and the temperature of the hold will cause potentially serious condensation. Damage can be limited by controlling the temperature of the hold and by properly dunnaging the cargo (paragraph 4). Proper use of electrical ventilation permits the ship to maintain the

hold temperature at approximately ambient levels, thus avoiding condensation. In winter months this is essential and a ship with adequate ventilation is needed. While 20 or more airchanges per hour should be given preference, 8/10 airchanges per hour should be considered adequate. In the summer, lower amounts of ventilation can be accepted with proper dunnage, and even non-electrically ventilated ships can be considered.

#### 4. DUNNAGE

When wood is used as dunnage, it should be seasoned wood only. No fresh wood should be used. The amount of dunnaging is frequently dictated by availability at the load port, but the following minimum standards should be followed:

##### A. TANKTOPS

Double wood dunnage plus absorbent kraft paper. The wood dunnage lifts the cargo off the tanktops – avoiding condensation damage. The kraft paper acts to absorb any condensation that collects on the tanktop and also shields the cargo from incidental contact with the steel tanktops.

##### B. SHIP SIDES

In double skinned ships the vessel sides should be covered with kraft paper to prevent contact by the cargo with the steel. In winter months the additional precaution of wood dunnage over the paper should be used. On a ship with wood cargo battens any missing boards should be replaced with wood dunnage boards, and all protruding steel parts should be covered with kraft paper. In winter months the top of the stow should be covered with kraft paper.

#### 5. AGE

A good general rule to follow is to fix vessels less than 15 years old. There are however, many well maintained ships between 15 and 20 years of age. An older ship should be evaluated on its other characteristics, as well as reputation of the owner/manager. In most cases a professional cargo broker will have a sense of a vessel's reputation or if not will be able to obtain background on recent performance/condition through agent and broker correspondents. Note that many insurance companies charge an additional premium for vessels in excess of 20 years of age.

#### IV. PAYMENT OF FREIGHT

The subcommittee recommends that to minimize potential problems at discharge, the cargo broker should, when possible, retain 20% of paid net freight charges to be applied toward discharge costs.

It was brought to the attention of the subcommittee that although charter parties generally require freight payment within three days of the release of Bills of

Lading, this clause is frequently violated by coffee charterers causing negative affect on suitable options.

V. DISCHARGE TO PLACE OF REST

The terms of the charter party as relates to discharge generally provide for the discharging, palletizing and movement inside the terminal or warehouse for a period of temporary storage (free time). Any subsequent handling or transfer charges into storage assessed by the terminal or warehouse are for the charterer's account.

VI. CLAIMS

The subcommittee reviewed the inherent particular average cargo claims problems which have generally resulted in low loss recoveries to the charterers as well as making coffee a commercially unattractive cargo to potential suitable vessel owners/operators.

It was determined that claims filing procedures have been generally unclear. It was also determined that the filing of incidental as well as untimely claims has caused many owner/operators to shy away from the carriage of coffee thus reducing the choice of suitable vessels.

The committee concluded and recommends that the following practices be instituted and incorporated in the Charter Party:

- The claim filing agent for the carrier should be included on the Charter Party. It is to this agent that all correspondence and fully documented claim filings should be made. It is further recommended that the broker should be supplied with a copy of the "Statement of Claim" in order to keep track of the vessel and owner/operator's loss experience and to assist when necessary and to the extent applicable.
- The Charter Party should include the vessels P and I club and the carriers insurance.
- Charterers should establish a minimum claim filing limit of US \$500 per Charter Party.
- Fully documented claims should be filed with the carrier within six months of the vessel's completion of discharge.
- Claims should be settled within ninety days of presentation.

## VII THE CHARTER PARTY AGREEMENT

The subcommittee with the concurrence of the Traffic and Warehouse Committee determine that as opposed to standardizing the addendums as relates to coffee incorporated in existing Charter Party agreements, a new Charter Party should be created specifically for coffee. As is the case in most standardized contracts, under mutual agreement the terms of the new Charter Party could be amended, added to or deleted to suit the requirements of the principals of the relevant transaction.

Furthermore there would be no requirement by this Association that its members utilize this Charter Party or any portion of its terms and conditions as set forth.

It was also concluded that the new Charter Party as drafted and included herewith be circulated to the members of this Association for any comments prior to the establishment of the final wording incorporated therein.



THE GREEN COFFEE ASSOCIATION, INC.  
LINER TERMS CHARTER PARTY

DATE \_\_\_\_\_

OWNER: \_\_\_\_\_  
\_\_\_\_\_

CHARTERERS: \_\_\_\_\_  
\_\_\_\_\_

BROKER: \_\_\_\_\_  
\_\_\_\_\_

It is this day mutually agreed, between \_\_\_\_\_,  
Owners of the vessel \_\_\_\_\_ (described in clause 8) and  
\_\_\_\_\_, Charterers.

1. ORIGINATION

The said vessel being staunch and in every way fit for the voyage, shall proceed to \_\_\_\_\_ and there load a cargo of \_\_\_\_\_ bags of coffee, about \_\_\_\_\_ metric tons.

2. DESTINATION

Having so loaded the vessel shall proceed to \_\_\_\_\_ and there discharge into the designated coffee terminal in accordance with the terms of clause 20.

3. LAYTIME

Laytime for loading is not to commence before 0800 \_\_\_\_\_. Should the vessel not present notice of readiness to load before 1600 \_\_\_\_\_ then the Charterers shall have the option of canceling this Charter Party.

4. BILL OF LADING ISSUANCE

The master or his authorized agent is to sign Bills of Lading, without prejudice to this Charter Party. The Bills of Lading are to be marked freight payable as per Charter Party dated \_\_\_\_\_.

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

5. FREIGHT RATE

Freight is payable on this cargo at a rate of USD \_\_\_\_\_ per gross metric ton Bill of Lading weight. (Understood that gross weight includes the weight of the bag but not any sling that might be used).

6. LOADING AND DISCHARGING TERMS

This cargo is to be loaded and discharged at owner's expense. The owner will appoint and pay stevedores at both the load and discharge ports. At the load port the shippers will deliver the cargo free alongside the vessel or at the point that is customary for the load port. At the discharge port the vessel will deliver the cargo to the place of rest in the ocean terminal in accordance with clause 20.

7. FREIGHT PAYMENT

Freight is basis the gross Bill of Lading weight. Freight shall be 100% paid via the Charterers designated broker within 3 banking days of signing and releasing Clean on Board Bills of Lading marked "Freight payable as per Charter Party" and sailing last loading port. 80% of the freight, less authorized commission, shall be immediately tele-remitted to owners designated bank. The balance 20% is to be retained in escrow by the Charterers broker and paid over to the owners designated agents at the discharge port, such payment specifically to be applied to vessel stevedoring expenses. Freight is discountless, non-returnable, vessel and/or cargo lost or not lost. Freight is inclusive of all charges associated with the loading and discharging of this cargo, including wharfage at the discharge port and assessments based on cargo (weight or volume) in the discharge port.

8. VESSEL'S DESCRIPTION

*A complete description of the performing vessel should be provided giving Flag, Year built, Classification, and basic details.*

*All vessels operating in trade of transporting coffee in break bulk form should be electrically ventilated. Although coffee at specific times of the year and in certain temperature zones may be shipped in non-ventilated vessels, it would be highly recommended that ventilated vessels be a standard in this trade. This would*

*avoid the probability of excessive claims for stained/damaged cargo shipped in non-ventilated vessels.*

9. VESSEL'S ITINERARY

*Information should be known upon fixing and would recommend 72/48/24 hours notice clause to be incorporated in Charter Party giving vessel's ETA basis loading port.*

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

10. AGENTS

Owners are to appoint agents at both load and discharge ports. Owners paying customary fees. Agents are to be placed in funds for expected port disbursements and assessments prior to vessel arrival.

11. INSPECTION

Vessel's holds to be certified clean, dry and odor free and ready in all respects to load bagged coffee on arrival by a Lloyds surveyor or equivalent. Cost of such inspection of vessel to be for account of Owners. Copy of certificate of readiness to be supplied to Charterers via ship broker.

Charterer's advice that Shippers may at their option have their own independent surveyors on hand for an inspection of vessel's holds prior to loading. Cost of surveyor will be for account of Shippers.

12. SLINGING

In the event that the Owners exercise option to presling the cargo, it is to be done at Owners' time and expense. Slings to be used are Marino types which have four corner lifting loops with securing straps which allow the tightening of the slings prior to discharge operations. Slings to be loaded with a m/m 20 bags in four (4) tiers of five (5) bags each, however, when necessary to complete lots, slings of between 10 and 20 bags can be made up.

13. STOWAGE

Cargo is to be loaded and stowed in separate holds from the other cargo. Cargo is to be segregated by identification marks and chops and will be presented by the shippers by chops and marks. If the owner opts to presling the cargo, in no case

are marks to be mixed within the slings. Cargo to be loaded by vessel in “Block Stow” in such manner as lot number facing up, segregations of paper between lots to be supplied by vessel.

14. DUNNAGE

Owners to provide and lay sufficient dunnage and kraft paper for the loading and stowing of this cargo and cost and expense to be for Owner’s account. The Master is to ensure that cargo is stowed and sufficient dunnage is used so as to effectively protect the bags and prevent them from coming into contact with the metal parts of vessel.

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

15. COMPLETION CARGOES

If this is a part cargo, the completion cargo is to be non-hazardous to coffee. Completion cargoes other than coffee are to be stowed in separate compartments. When the completion cargo is coffee, adequate separations are to be provided.

16. CLEAN BILLS OF LADING

The Master is to ensure that no cargo is loaded that will preclude the issuance of clean Bills of Lading.

17. STAINS

Vessel will be held responsible for all stains. Master is to refuse to load any cargo in stained or damaged bags. Additionally, the Master is to ensure all prudent measures are taken to maintain watertight integrity of the hatches, including, if necessary, caulking and taping of hatches.

18. VENTILATIONS

Vessel is electrically ventilated with \_\_\_\_\_ air changes per hour. Master is to operate the ships ventilation as required in order to minimize condensation.

19. TALLY

Vessel will be responsible for the outturn tally from the ship. Owner is responsible for outturn of exactly the number of bags reflected in the Bills of Lading.

20. DISCHARGE

Cargo is to be discharged into the Ocean Terminal and segregated on pallets in Bill of Lading lots. Wharfage at port of discharge, if any, for vessel's account. Handling into storage for Charterers account, after expiration of \_\_\_\_\_ days freetime commencing the day following completion of vessel discharge.

21. CLAIMS

Claims for damaged and/or lost coffee exceeding \$500.00 per Charter Party, if any, are to be submitted directly to the carrier within six months of vessel discharge to the following address:

Carrier agrees to settle fully documented claims within ninety days of presentation.

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

22. P and I Coverage

Vessels P and I club:  
Carrier's Insurance coverage (if applicable):

23. USA CLAUSE PARAMOUNT

This Charter Party and any Bill of Lading issued hereunder shall have effect, subject to the provisions of the United States Carriage of Goods by Sea Act, which shall be deemed to be incorporated herein. If any terms of this Charter Party or any bill of lading issued hereunder be repugnant to said Act to any extent, such terms shall be void to that extent, but no further.

24. OWNERS RESPONSIBILITY

Owners shall be bound before and at the beginning of the voyage to exercise due diligence to make the ship seaworthy and to have her properly manned, equipped and supplied and neither the vessel nor the Master or Owners shall be or shall be held liable for any loss of or damage or delay to the cargo for cause exempted by the U.S. Carriage of Goods by Sea Act, 1936 or the Canadian Water Carriage of Goods Act, 1936.

And neither the vessel, her Master or Owners, nor the Charterers or Receivers shall, unless otherwise in this Charter party expressly provided, be responsible for loss of or damage or delay to or failure to supply, load, discharge or deliver the cargo arising or resulting from: act of God, act of war, act of public enemies,

pirates or assailing thieves; arrest or restraint of princes, rulers of people; seizure under legal process, provided bond is promptly furnished to release the vessel or cargo; floods; fires; blockades; riots; insurrection; Civil Commotions; earthquakes; explosions. No exception afforded the Charterers or Receivers under this clause shall relieve the Charterers or Receivers of or diminish their obligations for payment of any sums due to the Owners under provisions of the Charter Party.

25. DEVIATION

The vessel is to proceed directly from the load port(s) to the discharge port (s) without deviation except as noted in the itinerary (clause 9) or for bunkers, or as necessary to save life or property at sea.

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

26. OWNER'S LIEN

The owners have a lien on the cargo for freight and/or dead freight.

27. GENERAL AVERAGE

General Average to be settled in accordance with the York/Antwerp Rules 1974 and will be settled in New York.

28. STRIKE CLAUSE

Neither the Charterers nor the owners shall be responsible for the consequences of any strike or lock-out that prevents or delays the loading or discharge of this cargo.

If there is a strike or lock-out that prevents or delays the loading of this cargo the owner may offer to wait for the cargo on ½ detention rate. If such offer is made the Charterers must agree or decline 1/i 24 hours, after which it is owner's liberty to cancel this contract. If part cargo has been loaded, Owners must proceed to the discharge port (freight payable on loaded quantity only), Owners having liberty to complete with other non-injurious cargo.

If the strike or lock-out affects the discharge of the vessel at the agreed place the receivers have the option for requiring the vessel to wait paying ½ detention or of ordering the ship to discharge at an alternative suitable discharge place. Receivers must make their election within 48 hours of being notified by the Owners of such strike or lock-out. In the event an alternative discharge port is nominated the freight shall remain the same, except if the substitute port shall increase the voyage by more than 100 miles the freight shall be increased pro-rate.

29. BOTH TO BLAME COLLISION

Both to Blame Collision Clause and the New Jason Clause as attached are incorporated in this Charter Party.

30. CUBAN EXCLUSION

Owner warrants that vessel has not entered a port or place in Cuba within 180 days prior to the date hereof.

Green Coffee Liner Terms Charter Party under date of \_\_\_\_\_

31. NEW YORK ARBITRATION CLAUSE, 1954

That should any dispute arise between Owners and the Charterers, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them, shall be final, and for the purpose of enforcing of any award, this agreement may be made a rule of the court. The Arbiters shall have discretion to award the winning party its costs of the arbitration, including wholly or partly the fee and disbursements of its attorneys and/or agents.

32. BROKERAGE

A brokerage commission of 2.5 percent on gross freight and deadfreight is payable by the Owners to:

---

33. SEVERABILITY

The parties stipulate that the terms and provisions of this Agreement are fair and reasonable as of the date of this Agreement. However, if notwithstanding that stipulation and term, provisions, covenant of restriction, or part thereof, shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions, or parts thereof, of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

34. PRIVATE AND CONFIDENTIAL

Fixture is to be private and confidential. Under no circumstances are Owners and Brokers concerned in this fixture to divulge any details whatsoever to anyone outside their own organization.

## VIII DEFINITIONS

ALL TIME SAVED	Means the time saved to the ship from the completion of loading/discharging to the expiry of the laytime including periods excepted from the laytime.
ALWAYS AFLOAT	There must be sufficient water (depth) to allow the ship to lie afloat on her laden draft at all times of the tide at the berth, anchorage or dock where the ship is to load or discharge.
BALESPACE	The bale space of a vessel is the capacity of cargo spaces under deck, including hatchways, expressed in cubic feet.
BALLAST	Materials, usually sea water, placed in a vessel not carrying full cargo to obtain or maintain proper stability, trim or draft.
BAREBOAT CHARTER	A form of period time charter under which the Charterer assumes practically all the rights and obligations of an Actual Owner, excepting legal title. Often used for long-period charters, and also in Hire-Purchase agreements by which the Charterers ultimately acquire legal title.
BEAM (BREADTH)	Width of vessel at widest point.
BENDS	Both ends. This term implies that the arrangements agreed upon hold true both at loading and discharging port(s). Frequently used regards appointment of agents, rates of loading and discharging, stevedores, etc.
BERTH	Means the specific place where the ship is to load and/or discharge.



BERTH TERMS(Liner Terms)	Condition under which the time and expense of loading and discharging cargo are for the Owner's account.
BILL OF LADING	A receipt issued by the owner to the charterer representing legal title to the goods shipped, and subject to the terms of a Charter Party, describes terms and conditions of carriage of the goods.
BREAK BULK	To begin discharging a homogeneous cargo, usually bulk but possibly bagged coffee, steel, newsprint, etc. In recent years in liner trades the phrase has come to mean a non-containerized general cargo service.
BROKER	Intermediary-one who negotiates ('trades') on behalf of a principal for a fee.
BROKERAGE	A fee for service performed by a broker, paid for by the owner.
BULK CARGO	Usually a homogeneous cargo stowed in bulk, that is to say loose and not enclosed in any container.
BULKHEAD	A name given to any vertical partition which separates different compartments or spaces from one another.
BUNKERS	(noun) A compartment for storing fuel, the fuel itself. (verb) To load fuel into a vessel's bunker for its own use as distinguished from loading fuel as cargo.
CANCELING DATE	The latest date on which the vessel must be ready to load the cargo, failing which the Charterers at their option are entitled to cancel the Charter Party.
CARGO BATTENS	Strips of wood fitted to the inboard side of frames in the hold or cargo spaces of a steel vessel in order to keep the cargo away from

the shell plating and avoid all contact with metallic surfaces. These battens are usually about 6 by 1-1/2 in., running fore and aft and bolted to the frames about 1 ft. apart—also called hold sparring, hold batten, sparring batten. A general rule is that when stowing general or mixed cargoes the cargo comes into contact with the cargo battens, not the steel skin or frames of the ship.

#### CARGO BROKER

A person or firm representing cargo interests seeking vessels to lift the cargoes.

#### CHARTER

(verb) To arrange for the transportation of cargo under specific terms and conditions, or the use of a vessel for a specific purpose or period of time.

(noun) Any transaction concluded between Principals, Owners and Charterers. In practice, also used interchangeably with “Charter Party,” to refer to the actual document used as a contract form.

#### CHARTERER

A role assumed in a chartering transaction as the one who uses the vessel or service proved by the Owner.

#### CHARTER PARTY

From the (Medieval) Latin: ‘Carta Partita’: ‘Divided Document’. A maritime contract by which the Charterer, a party other than the Owner, obtains the use and service of all or some part of a vessel for a period of time or a voyage or voyages. A form of contract of affreightment.

#### CHARTERING BROKERS

Firms that derive income from commissions earned by arranging charters on behalf of Principals. Many represent both vessel owners and cargo interests, and are independent of either, and many specialize in particular areas of chartering, such as tankers, or specific commodities, such as grains, ores, scrap, coal, or types of vessel, such as large bulk carriers, or heavy-lift vessels, etc.

COMMISSIONS	All Brokers' commissions are paid by Owners, regardless of which Principal a Broker represented in the trade. The Broker's commission is a percentage of the monies received by the Owner, either as Charter Hire or Freight, respectively, in Time or Voyage Charters.
DEAD FREIGHT	Freight money payable for the quantity of cargo short shipped under the quantity of cargo contracted for in the Charter.
DEADWEIGHT (of vessel)	The number of long tons (2240 lbs.) or metric tons (2204.6 lbs) which a ship is capable of carrying of cargo, fuel, stores, fresh water, and crew on the ship's summer freeboard. (This is the "deadweight" for which vessels are time chartered.)
DEADWEIGHT CARGO CAPACITY	The weight carrying capacity of a vessel, expressed in long tons of 2240 pounds or metric tons of 2204.6 pounds, for a particular voyage after allowance for fuel, water and stores.
DEMURRAGE	Means the money payable to the owner for delay for which the owner is not responsible in loading and/or discharging before the laytime has expired.
DESPATCH (DISPATCH)	Means the money payable by the owner to the charterers if the ship completes loading or discharging before the laytime has expired.
DETENTION	Damages payable by the charterers to the owners for charters defaults in adhering to the terms of the Charter Party-actual or inferred, including but not limited to failure to have cargo available/loadready for the commencement of layday.
DISPLACEMENT	The weight of the quantity of water displaced by the ship and everything it contains.

DISPONENT OWNER(S)	The one(s) who through charter or agreement has (have) the legal authority or right to decide the contract for vessel's employment. One who has operational control of the vessel, but not legal title.
DOWN TO MARKS	This expression means that the vessel has been loaded to her maximum permissible draft, either winter, summer or tropical loadline as the case may be. If both deadweight and cargo space have been fully utilized, the ship is "full and down".
DRAFT	The depth of a vessel below the waterline, measured vertically to the lowest part of the hull, propellers or other projecting point—or the depth in the water to which a ship is immersed.
DUNNAGE	The use of sufficient dunnage is one of the principal precautions against damage to hand-stowed cargo. Materials that are not affected by moisture are used as dunnage such as boards, matting, burlap, rattan. Dunnage is laid on the ceiling and along the wooden cargo battens and all other places where necessary. The object is to prevent or limit damage by crushing, chafing, sweat, moisture, contact with hold pillars, etc.
ETA	Estimated time of arrival of the ship.
FIX	The act of arranging a contract or a vessel for a cargo, trip or period (charter party). Also used in place of phrase "offer firm".
FIXTURE	The completed transaction covered by a charter party.
FORCE MAJEURE	An event of or effect caused by an unpredictable and uncontrollable force which leaves no choice of action. A force majeure could be an act either of man or of nature such as an act of war, governmental embargo or an act of God.

FREE DISCHARGE	(FD) The charterer or receiver pays for the cost of discharging the commodity, at no expense to the owner.
FREE IN AND OUT	(FIO) The charterer or receiver pays for the loading and discharging of the cargo, including the cost of steveforing. 'FREE' always means free of expense to the vessel or Owner. Condition under which the cost of <u>both loading and discharging</u> are paid by the Charterer.
FREE IN AND OUT AND STOWED	(FIOS) The same as FIO except that when bagged cargoes or generals are loaded, the additional stowing cost is included.
FREE LOAD	The charterer or shipper pays the cost of loading at no expense to the vessel.
FREIGHT	The amount of money payable to a shipowner for the carriage of cargo from one port to another under a voyage charter, bill of lading, booking note or contract of affreightment.
FREIGHT PREPAID	Represents payments to the shipowner before the cargo has been carried to the discharge port(s).
FULL AND COMPLETE	This expression characterizes a full cargo, in accordance with the custom of the port, which will either bring the vessel down to her permissible draft at winter summer or tropical loadline or fill the vessel cubically as the case may be.
GROSS DISCHARGE	Vessel pays for discharging cargo to end of ship's tackle or from ship's rail depending on customs of trade or port.
GROSS LOAD	Vessel pays for loading cargo from end of ship's tackle or from ship's rail depending on custom of trade or port.

GROSS REGISTERED TONS	(GRT) Expressed in tons of 100 cubic feet; the entire internal cubic capacity of the holds and erections on and or/above the upper deck to the hull of the ship, excepting certain spaces which are considered exempt such as peaks and other tanks for water ballast, open forecastle, bridge and poop. (In official statistics, a “ton” refers to the “gross”.)
GROSS TERMS	Means that the cost of loading, stowing, and discharging are for the account of the vessel.
INHERENT VICE	The term “inherent vice” means “any existing defects, diseases, decay or the inherent nature of the commodity which will cause it to deteriorate with a lapse of time”. Examples of goods which are subject to inherent vice are agricultural commodities, such as fruits and vegetables, and tobacco, which have the tendency to over-heat and to be subject to spontaneous combustion. Mild rust on metal created by atmospheric conditions is an inherent vice.
KNOT	A unit of speed. The term “knot” means velocity of one nautical mile per hour.
LAYDAYS	The period of time specified in the Charter Party, from the earliest (‘commencement’) date to the latest (‘canceling’) date, during which the vessel must be ‘Delivered’ (in a ‘Time-Charter’) or must tender ‘Notice of Readiness’ (in a ‘Voyage Charter’) and the Charterer must accept her. The Charterer is not obliged to start loading before the commencement of lay days. The Charterer may cancel the charter if the ship does not tender prior to the expiration of lay days.
LAYTIME	In Voyage Charters. the amount of time allowed the Charterer during which the vessel is to load or discharge. Laytime may be expressed either in a number of days, or as a rate of so many tons per day, which

	case the total time allowed would depend on the quantity of cargo involved.
LAYTIME NON-REVERSIBLE	When time is “non-reversible”, any despatch earned or demurrage incurred at the load or discharge port is payable there—and time saved at one port cannot be used to set off against time lost at the other.
LAYTIME REVERSIBLE	Means an option given to the charterer to add together the time allowed for loading and discharging. Where the option is exercised the effect is the same as a total time being specified to cover both operations.
LENGTH OVERALL	(LOA) The maximum length of a ship from the forward tip of the bow to the aftermost limit of the stern.
LIGHTER	General name for a broad, usually flat-bottomed barge, frequently used in loading or discharging a larger vessel at anchor.
LIGHTERING	The act of discharging cargo into a lighter or barge.
LONG TON	A unit of weight of 2,240 pounds (1016.047 kgs.)
MATE’S RECEIPT	This refers to the document signed by the chief officer, acknowledging the receipt of cargo in good order, unless otherwise noted, on board the ship.
METRIC TON	A unit of weight of 1,000 kilograms (2,204.6 pounds).
MOOR	To secure a vessel to shore with hawsers or mooring lines or to anchor, or make fast to mooring buoys.
M/S....OR SUBSTITUTE	This charter party condition entitles or requires the owner to replace original vessel with another ship for the fulfillment of the charter. The substituting vessel must be in

all essential respects similar to the vessel she replaces. If the charter refers to a named vessel and the “or substitute” is omitted, the shipowner does not have the right of vessel substitution.

NAUTICAL MILE

The standard unit of measure for marine navigation composed of 1852 meters (6076.1 feet).

NET REGISTERED TONS

(NRT) Expressed in tons of 100 cubic feet; the tonnage of a ship remaining after certain deductions have been made from the GRT including crew spaces, master’s cabin, shaft tunnels and other items.

NET TON

In the U.S.A. a short ton of 2000 pounds.

NOTICE OF READINESS

The master must advise charterers in writing as soon as his vessel is ready to load or discharge.

The following conditions must first be met:

1. The ship must be at the place of loading or discharge as set forth in the charter party, or as near thereto as she can safely get.
2. The ship must be fully prepared to load or to discharge immediately.

Laydays commence from the moment the notice of readiness has been accepted by the Charterers, unless stipulation to the contrary have been included in the charter.

OWNER

A role assumed in a chartering transaction as the one who provides the vessel, having the authority to cause the vessel to be employed in a particular manner.

OWNER’S BROKER AND  
CHARTERER’S BROKER

Respectively, the brokers representing the Principals involved in negotiating a particular charter. Such designation describes their roles in a given trade, and does not denote permanent status. In another trade, these same brokers may be in opposite roles.



OUTTURN	Weight or count determined upon completion of discharge by various methods, such as, railroad track scales; ship's draft; belt weighometers, etc. Many charters stipulate freight is payable on the outturn or unloaded weight which can be more or less than the bill of lading quantity.
PLIMSOLL MARK	The mark indicates the limit to which a ship may be loaded. It derives its name from Mr. Samuel Plimsoll, a British politician who strongly advocated measures being taken to cease the practice of loading vessels at the discretion of the master. In 1876, this action brought about the desired result and the Merchant Shipping Act was amended accordingly.
PORT CHARGES	Charges made on account of ship's use of a port, including, but not restricted to, entry fees, light dues, use of tugs, wharfage, agency fees; usually levied against the ship.
PRINCIPALS	The participants in any chartering transaction, i.e., 'Owner' and 'Charterer'.
PROMPT (VESSEL)	In dry cargo chartering, a ship that will be available within two weeks.
RULES OF THE ROAD	The rules and regulations accepted by international agreement and enforced by law in maritime countries which govern the movements of ships when approaching each other under such circumstances that a collision may possibly ensue.
RUNNING LIGHTS	A general term applied to the various lights carried from sunset to sunrise in accordance with Rules of the Road.
SAFE BERTH	Means a berth, which during the relevant periods of time, the ship can reach, remain at and depart from without, in the absence of some abnormal occurrence, being exposed

to danger which cannot be avoided by good navigation and seamanship.

SHEX	Sundays and holidays excepted. These days are not to be counted as chargeable laytime during loading or discharging, provided the charter party does stipulate “unless used.”
SHINC	Sundays and holidays included which is the reverse of SHEX. In other words these days count when calculating laytime.
SHIP’S AGENT	A party, normally whose fee is paid by the ship owner, who represents the owner and his ship in a particular port and who carries out normal ship’s business in that port.
SHIP’S BROKER	A person, or firm, representing vessel owners, seeking employment for the vessels. In practice, commonly used to describe anyone who engages in chartering as a broker.
SHIP CHANDLER	A merchant who supplies vessels with all kinds of stores.
SHORT TON	A unit of weight of 2000 pounds.
SIDE WHARFAGE	Fee assessed vessel for lying alongside wharf.
SISTERSHIPS	Ships built to the same design.
SKIN	The hull plating of a ship.
SPOT (VESSEL)	In dry cargo chartering, a ship that is available within seven days.
STOWAGE	That part of the loading process which places the cargo in the holds so that the vessel will carry the cargo safely and load the maximum quantity possible.
STOWAGE FACTOR	This expression indicates the number of cubic feet actually occupied by one long ton of a commodity, including an allowance for

broken stowage. The stowage factor depends upon the type of goods being carried. It is customary to differentiate between commodities with a stowage factor of maximum 40 cu. ft. and commodities with a higher stowage factor, these being called “deadweight cargo” and “measurement cargo”, respectively.

SUBJECT APPROVAL  
OF CHARTERERS

By owners, and frequently used when charterers are unnamed or not well known.

SUBJECT STEM

Charterers obtain time to check and confirm that the correct size cargo can be made available at loading port at the contracted time.

SUBLET

Customarily, in a time or voyage charter the charterers have the right of subletting the whole or part of the vessel; however, they remain responsible to the ship owners for the fulfillment of the original charter.

TIME CHARTER

A contract that specifies the terms, conditions, restrictions and respective obligations of both Principals under which a vessel (or vessels) is placed under the operational control of a Charterer (who thus become ‘Time-Chartered Owner’) for a specified period of time (‘Period Charter’) or a particular voyage or voyages (‘Trip Charter’).

TIME-CHARTERED  
OWNER

A Disponent owner, one who has acquired operational control of the vessel by means of Time-Charter.

TOP WHARFAGE

Fee assessed, usually against cargo, for use of the top or floor of an open or covered wharf.

TRAMP (VESSEL)

The designation commonly used for vessels with no regular employment whose owners send them wherever they expect to, or can, obtain the most lucrative employment

through either voyage or period time-charter.

VOYAGE CHARTER

A contract providing for the lifting of specified quantities of cargo, from and to specified ports, and specified rates, terms and conditions within specified dates, by specified vessels.

WEATHER WORKING DAY

Means a working day or part of a working day during which it is or, if the vessel is still waiting for her turn, it would be possible to load/discharge the cargo without interference due to the weather. If such interference occurs (or would have occurred if work had been in progress), there shall be excluded from the lay time a period calculated by reference to the ratio which the duration of the interference bears to the time which would have or could have been worked out for the interference.

WEATHER PERMITTING

Means the time during which weather prevents working shall not count as lay time.

WHARFAGE (DOCKAGE)

Charge assessed against vessel or cargo for use of space on or alongside a dock. (See also Side Wharfage, Top Wharfage)

YORK ANTWERP RULES 1974

Define general average and established procedures for settling.

IX ABBREVIATIONS

AA	Always afloat
ABS	American Bureau of Shipping
BIMCO	Baltic & International Maritime Conference, Copenhagen
B/L	Bill of Lading
B/N	Booking Note
COGSA	Carriage of Goods by Sea Act
COP	Custom of port
C/P or CP	Charter Party
DEM	Demurrage
DES	Despatch
ETA	Expected time of arrival
ETD	Expected time of departure
ETS	Expected time of sailing
FAS	Free alongside
FD	Free discharge
FIO	Free in and out
FIOS	Free in and out and stowed
FL	Free load

FMC	Federal Maritime Commission, Washington, D.C.
FO	Free out or fuel oil (depends context)
GL	Gross load
GRT	Gross registered ton(s) (nage)
LASH	Lighter aboard ship
L/C	Letter of credit
LOA	Length overall
LT	Long ton of 2240 pounds
MARAD	Maritime Administration (brand of the U.S. Dept. of Transportation)
MT	Metric ton of 2204.6 pounds or 1000 kilos
NH	North of (Cape) Hatteras
NOR	Notice of readiness
NRT	Net registered ton(s) (nage)
NT	Net ton of 2000 pounds
OT	Outturn or overtime (depending context)
PANDI	Protection and indemnity (insurance)
RO/RO	Roll on Roll off
R/T	Revenue ton
SHEX	Sundays and holidays excluded
SHINC	Sundays and holidays included
ST	Short ton of 2000 pounds
TBN	To be named (or nominated)

TC	Time charter
USG	United States Gulf
USNH	United States North of (Cape) Hatteras
UU	Unless used
VOY	Voyage
W/M	Weight or measurement
WRI	War risks insurance
WW	Weather working or worldwide (depending context)
YA	York-Antwerp Rules