



United States
Department of
Agriculture

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Farm and
Foreign
Agricultural
Services

Farm Service
Agency

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

NOTICE TO THE TRADE VESSEL LOADING OBSERVATIONS

This Notice is to outline Vessel Loading Observation (VLO) requirements effective March 1, 1999, for **all packaged commodities** loaded into all conveyances under foreign food assistance programs administered by the Farm Service Agency (FSA) and the Agency for International Development (USAID). Steamship companies must arrange to have the Federal Grain Inspection Service (FGIS) perform continuous, from start to finish, VLOs for all shipments booked on or after March 1, 1999.

DAMAGED PACKAGED COMMODITIES

The steamship company must not load or ship damaged commodities. The steamship company must make reasonable efforts to remove damaged packages/commodities from any conveyance, i.e., vessel hold, barge, etc. Requirements for specific package sizes and types of commodities are as follows:

- C Commodities Packaged in Multi-Wall Paper Bags - Bags with all layers punctured and the contents leaking or exposed are considered to be damaged beyond repair. Such damaged bags must not be repaired and must not be loaded and shipped. Bags with torn outer layers, but with inner liners intact, may be repaired by taping. The tape must be brown in color.
- C Commodities Packaged in Textile Bags - Bags with holes/tears large enough to permit the commodity to freely flow out of the bags must be repaired by sewing, stitching, or other permanent means to prevent further leakage. Commodity must not be swept up and repackaged.
- C Commodities Packaged In All Other Containers - Primary containers that are damaged with commodities leaking must not be loaded. Damaged secondary containers such as shipping containers and baler bags may be repaired by taping, gluing, or other permanent means.
- C Vegetable Oil Packaged in 6/4-Liter, 20-Liter, and 208-Liter Capacity Containers - Leaking vegetable oil containers and heavily stained, corrugated fiberboard shipping containers must not be loaded and shipped. Steamship companies have the following options:
 - C Leaking 20 and 208-liter capacity containers must be: (1) replaced with clean, sound containers with original markings provided by the vegetable oil supplier, or (2) not loaded.
 - C Heavily stained, corrugated fiberboard shipping containers must be handled in one of the following methods: (1) replaced with unstained shipping containers filled with sound 4-liter units with original markings provided by the vegetable oil supplier, (2) not loaded, or (3) the stained shipping containers may be opened and the sound, undamaged 4-liter units removed and repackaged

into clean, sound, regular slotted container-style corrugated fiberboard shipping containers sealed with tape or glue.

- Ⓒ Supporting documentation, i.e., receipts, must be provided to FGIS if leaking and stained containers are replaced by the vegetable oil supplier.

OCEAN BILL OF LADING REQUIREMENTS

The Ocean Bill of Lading (OBL) must reflect the number of sound and repaired packaged commodities actually loaded on the vessel. Only a "clean, signed onboard" OBL is acceptable. Repaired, packaged commodities may be loaded provided the Master of the vessel is willing to issue a "clean, signed onboard" OBL. After original OBLs are released and distributed, any changes or corrections must be made with an addendum and submitted to:

Kansas City Management Office
Commodity Financial Operations Division
P.O. Box 419205
Kansas City, MO 64141-6205

OTHER REQUIREMENTS

The steamship company must provide as much assistance as necessary to expedite the VLOs and should take such corrective actions as necessary to rectify any noted deficiencies. Steamship companies must designate, and make readily available to the FGIS inspector, an individual(s) at the loading location to ensure that the steamship company is made aware of, and able to address, any deficiencies or detrimental loading conditions noted by the FGIS Inspector during vessel loading. The steamship company's representative must sign the FGIS Form 992, Service Performed Report, and include applicable Notice to Deliver numbers or Export Request numbers as shown on form CCC 512, Notice of Commodity Availability.

Failure of the steamship company to correct deficiencies will be noted by the FGIS Inspector on the Vessel Loading Observation Commodity Inspection Certificate. Such deficiencies will include but are not limited to:

- Ⓒ Loading of damaged packaged commodities.
- Ⓒ Spilled commodity not removed from the stowage.
- Ⓒ Bags/commodities loaded during rain or left exposed to rain before hatch covers are closed.
- Ⓒ Debris such as wood, drinking cups, and food wrappers left in the stowage.
- Ⓒ Any other detrimental or unsanitary conditions which, when pointed out to the steamship line's designated representative(s), were not corrected in a satisfactory manner. Examples of detrimental or unsanitary conditions include: bags soiled with hydraulic fluid, paint, grease, rodent excrement, and excessive dirt.



FGIS will also perform the following tasks as part of the VLO:

- C Conduct a daily inspection of the vessel holds prior to loading to ensure that the packages/commodities are in good condition, and no damaged packages/commodities have been loaded.
- C Conduct a cursory review of the port warehouse(s) and surrounding area to ensure stored packaged commodities are in good condition.
- C Promptly report to the steamship line's designated representative and the Kansas City Commodity Office (816/926-6198) any situation that is considered to be actionable under the Food and Drug Administration and FGIS memorandum of understanding.

CERTIFICATION AND BILLING

It is the steamship company's responsibility to submit an application for service to the appropriate FGIS field office. FGIS will document each VLO on the Commodity Inspection Certificate. The steamship company must obtain a copy of the completed Commodity Inspection Certificate from FGIS and submit this certificate to AID or USDA for reimbursement of VLO inspection costs. In addition to submitting the certificates, the steamship company must provide information found on the Bill of Lading including the applicable Notice to Deliver numbers or Export Request numbers, and overseas recipient agencies relating to each certificate for accounting purposes. A copy of the applicable OBL is acceptable. Failure to provide these documents and information may delay the reimbursement of VLO costs. Requests for reimbursement must be submitted to:

P.L. 480, Titles II & III Programs	Food For Progress & Section 416 Programs
AID Office of Food for Peace Program Operations Division 1300 Pennsylvania Avenue N.W. Washington, D.C. 20523 Attn: Mr. Jon Brause	USDA Foreign Agricultural Service Export Credits/PSD 1400 Independence Avenue S.W. Stop 1031 Washington, D.C. 20250-1031

The VLO and certification by FGIS in no way absolves the carrier from the responsibility to deliver damage-free cargo to the overseas destination.

Sincerely,

Alan King
Director

