

2013 MRL Workshop Logistics of Exporting Ag Products **Global Trade Changes** like the Wind! What YOU need to WATCH! COST Control Consequences



Obviously Rates and <u>TOTAL</u> Costs are IMPORTANT ... BUT ...

- have ALL factors been reviewed

- is the Correct INCOTERM quoted

- have you matched all factors

A Global Trade Transaction is NOT complete ... UNTIL:

Buyer receives WHAT was ordered,

WHEN they expected to receive it

in Excellent Order and Condition,

Including: correct Documents and Labeling required to Permit Entry.

CONTROL **Ag Products require extra Concern about Control of:** Booking & Documents Handling & Transport **Entry & Clearance** Payment & terms **Insurance**

Consequences The "WHAT IF" questions you need to consider before you agree to the INCOTERM and all other factors. **MRL is only 1 factor!**

Change **Rules, Regulations** and Standards: **Commodity specific Country specific Change frequently** WCO "Single Window" New!

byrnes					CFR	СРТ	INCOTERMS 2010		
					Cost and Freight (named <u>Port</u> of Destination)	Carriage Paid to named <u>Place</u> of Destination	" <u>GUIDE</u> " to the ICC Official Rules for the Interpretation of Trade Terms		
	EXW	FCA	FAS	FOB	CIF	CIP	DAT	DAP	DDP
	Ex Works (named <u>place)</u> seller's side	Free Carrier (named <u>place)</u> seller's side	Free <u>Alongside</u> Ship (named <u>Port</u> of Shipment)	Free On Board (named <u>Port</u> of Shipment)	Cost, <u>insurance</u> and Freight (named <u>Port</u> of Destination)	Carriage+Insurance Paid to named <u>Place</u> of Destination	Delivered at <u>Terminal</u> (at Destination)	Delivered at named <u>Place</u> (at Destination)	Delivered Duty Paid (named destination Port or Place)
	Any mode or modes		Rules for Sea & Inland Wate		erway transport	Other Rules for any mode or modes of Transport			
Export Documents	Country Regulations (USPPI), Commodity Concerns, Security and/or Liability may determine who will File!								o will File!
Handling Fees									
Loading at point of origin		When FCA seller's premise							
Pick up, Loading, Inland Freight		FCA other origin point		Place "On Board"					
Container Loading			Rule should not be used	Rule should not be used					
Ocean Freight									
Terminal Charges									
Inland to "named"									
Container Unloading							Must specify for who's acct	Must specify for who's acct	
Import Handling									
Door Delivery								Will depend on "place"	
Customs Clearance	Country Regulations, Commodity Concerns and/or Liability may determine who will File!								
Duties and Taxes									
The Selier should make it clear in their contract and/or invoice that their terms of sale are according to "the incoterms rule (term) - Incoterms 2010 including the specifically named place (be very precise)". An example would be: Our Terms of Sale are according to the incoterms rule: EXW - Incoterms 2010 at 1111 Bayhill Drive, San Bruno, California 34066 US									
Warning: You must learn to be <u>VERY</u> specific with <u>all</u> terms.					Buyer's expense		Seller's expense		01/11/11 Byrnes
NOTE: This chart is prepared solely as a GUIDANCE to provide GENERAL intent of the INCOTERMS 2010; it is not meant to offer interpretation due to the many variables you need to verify.									



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