

# Die appel val nie ver van die boom af nie

Date: May 2022

Venue: Marine Forum Kievitskroon

Johan



Dave



Timothy



# We're honoured to be here:

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**300 million tons** of seaborne cargo  
move through South African ports each year

Fresh fruit accounts for approximately **50%** of South  
Africa's agricultural exports

South Africa is also the **second largest**  
exporter of citrus fruit.

Export to **92** destination-countries.

The economic value generated from these exports is in  
excess of **\$1.7 billion**

# Who are we:

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**1.000** years of hands-on experience

**100** claims handlers, surveyors and TPA experts

**10** service lines

**1** stop-shop

# Why are we here:

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1. To listen to you !
2. To learn from one another
3. Unrivalled global network
4. Global leader in Fruit claims
5. Growth of 45% in SA fruit claims since 2019
6. Multinational team

# The agenda:

Explaining the added value of  
a one stop shop  
to facilitate  
surveys and recoveries  
with the purpose of  
improving  
your bottom line

# Before we dig into practice...

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2018: latest client visit in SA

2022: 4 years passed – allow us to share the DPS developments

# DPS: A well-diversified, global and solid team of top experts





QUEST = our DNA we empower and strive for every single day  DPS

### QUALITY

Continuous improvement and  
change industry standards

### UNIQUE

Standardized One Stop Shop

### ENGAGED

Not selling, but delivering services

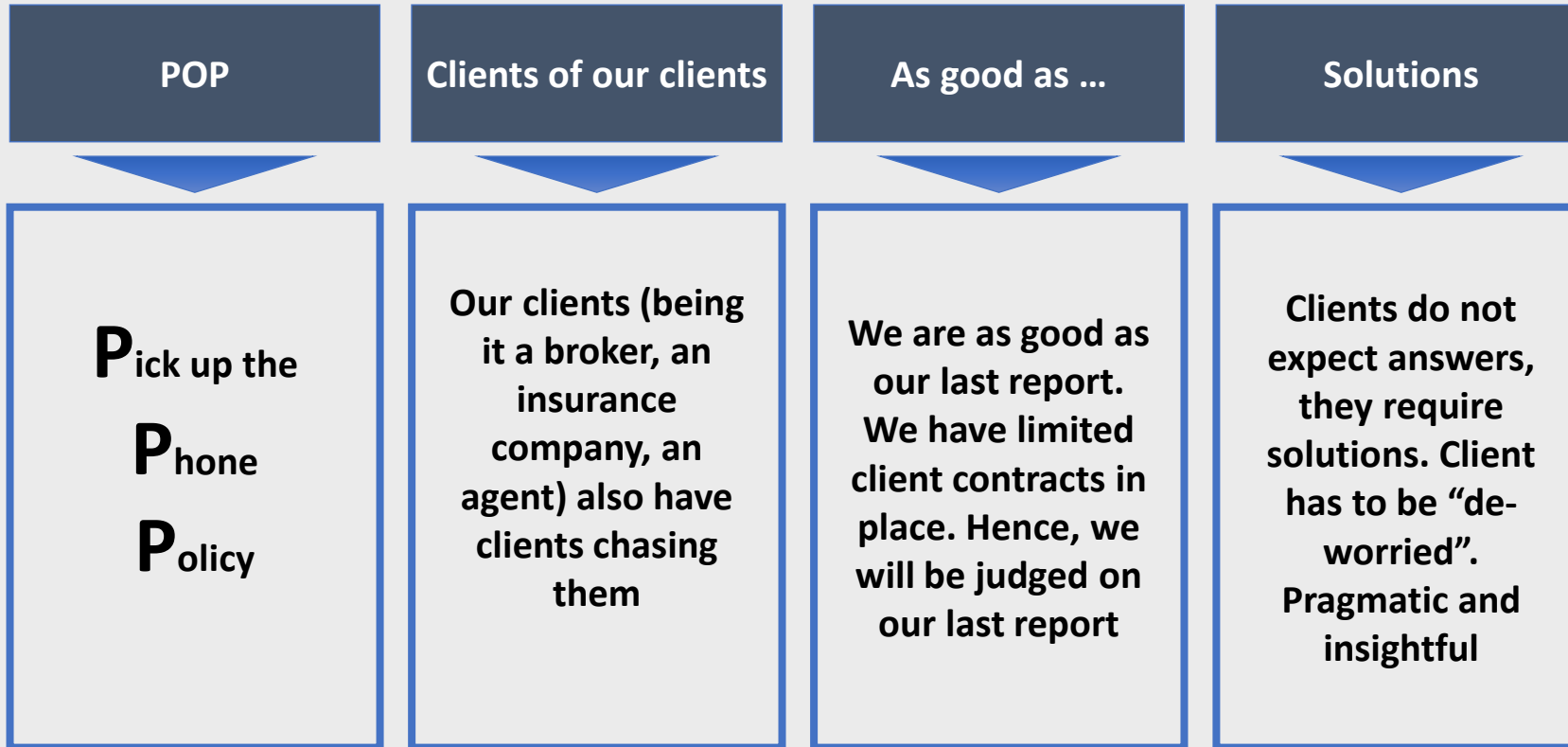
### SPEED

Essence and cornerstone

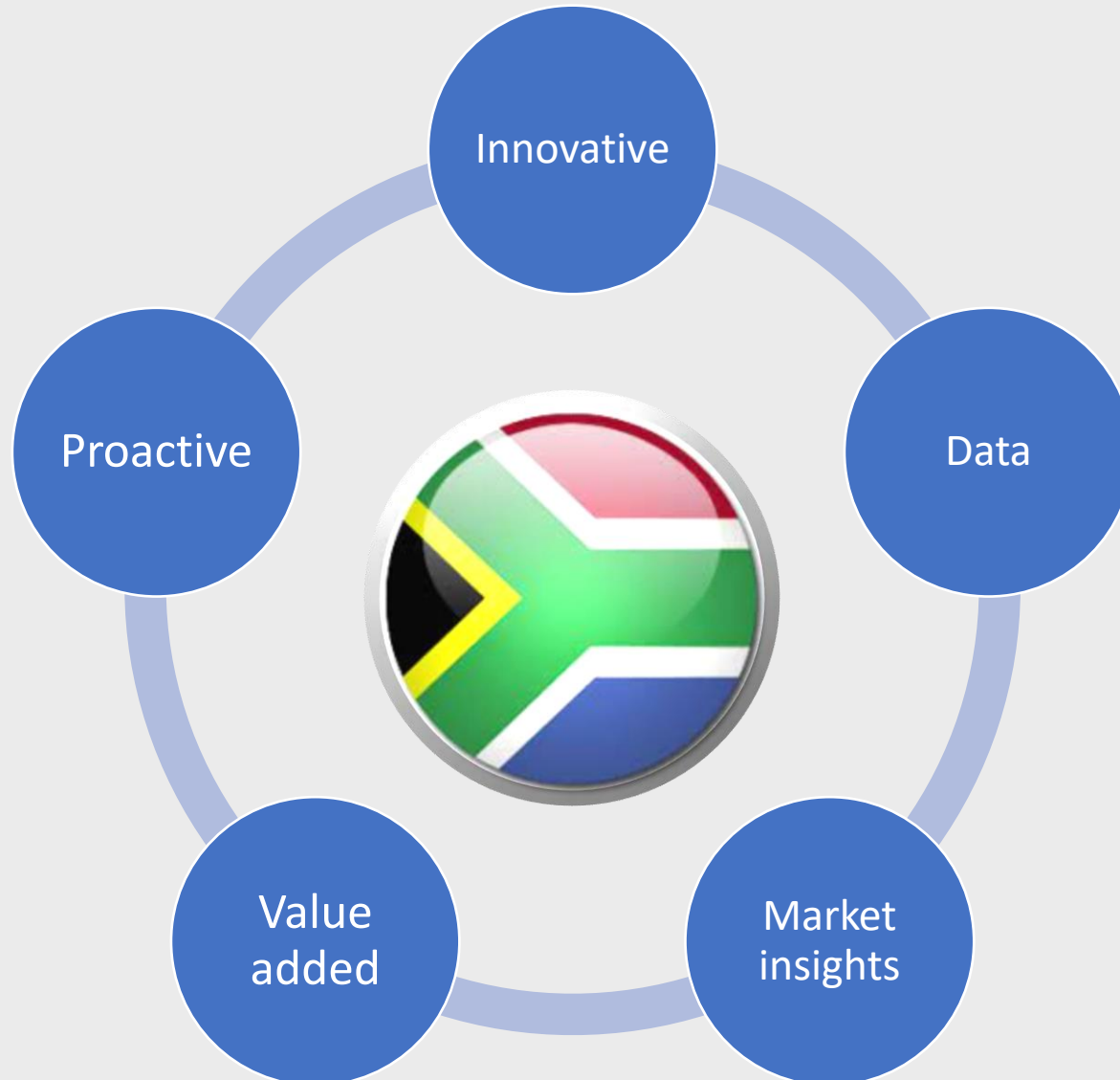
### TRANSPARENCY

Clear and accurate communication





# Our way of Partnering with you



Now, time for practice !

A focus on perishables? Yes...

Yet , applies to all commodities !



## 1. Quality of the fruit

- Pre and post harvest treatment (incl packing and PPECB)
- Check of container equipment at loading point and stuffing of cargo
- Temperature recording



## 2. Types of surveys

- What to do and when (recovery included)
- What info do we need (delays, temp abuse)
- Reporting
- Claim calculation (insured value, CIF, credit note, SMV,...)



## 3. Recent exposures

- Pre shipment in combo with delays, delays, delays,....
- Delay claims (what does an underwriter expect in the report) = question to audience



# Quality of the fruit



# Container check & stuffing operations

- Pre Trip inspection (PTI)
- Double check at orchard / packing station / port of loading
  - ✓ Odor, cleanliness, vent and temp settings, drainage,...
  - ✓ How: checklist to be used by staff at loading area
  - ✓ If NOK: reject the container

## Stuffing of pallets into a container

- ✓ Baffle plate
- ✓ Red line mark
- ✓ No air funnels
- ✓ Sufficient space at container doors





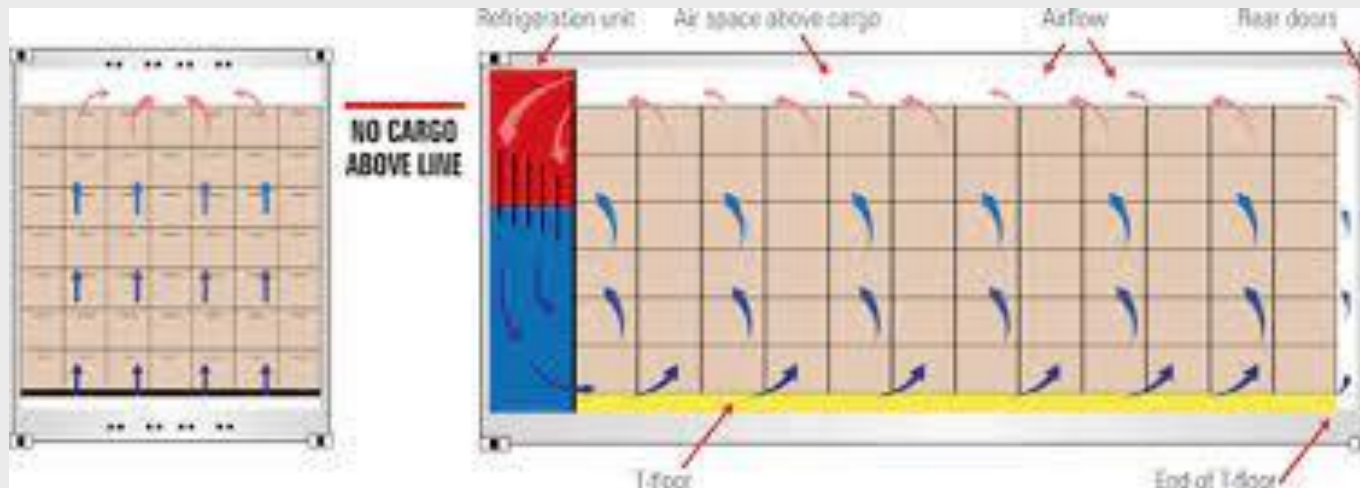
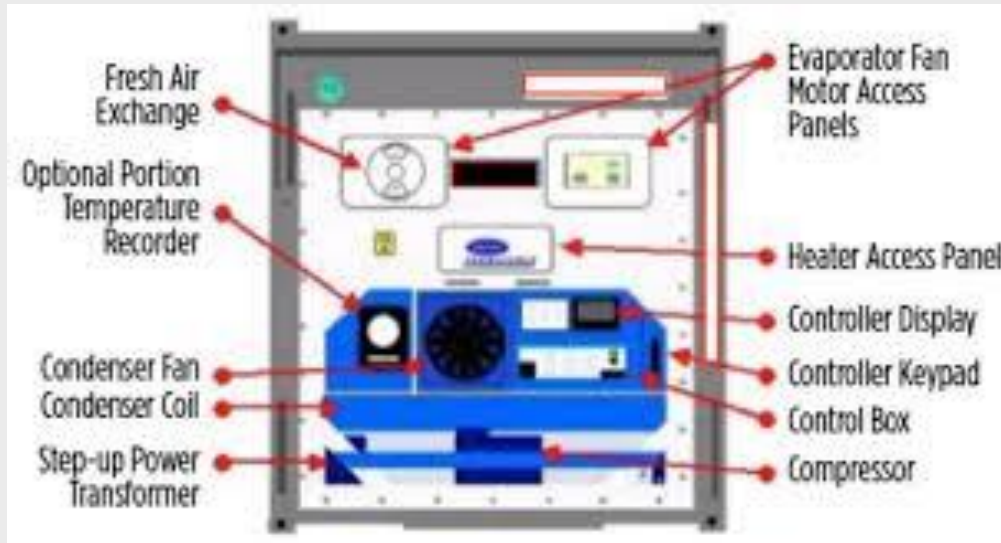
# Portable temperature recorders

- Container datalogger is owned by the shipping line
- Portable recorders are cheap and very useful mean to support a claim
- Owned by cargo interests
- SN on the B/L
- At least 1, preferably 2 units per container shipment
- Put them at the right locations



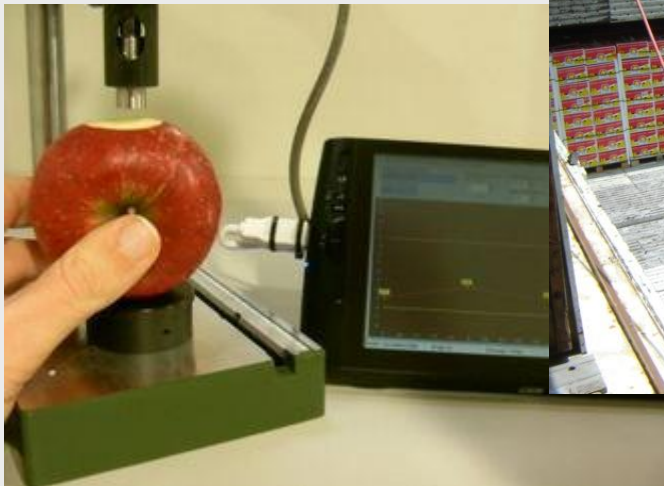


# How Reefer works

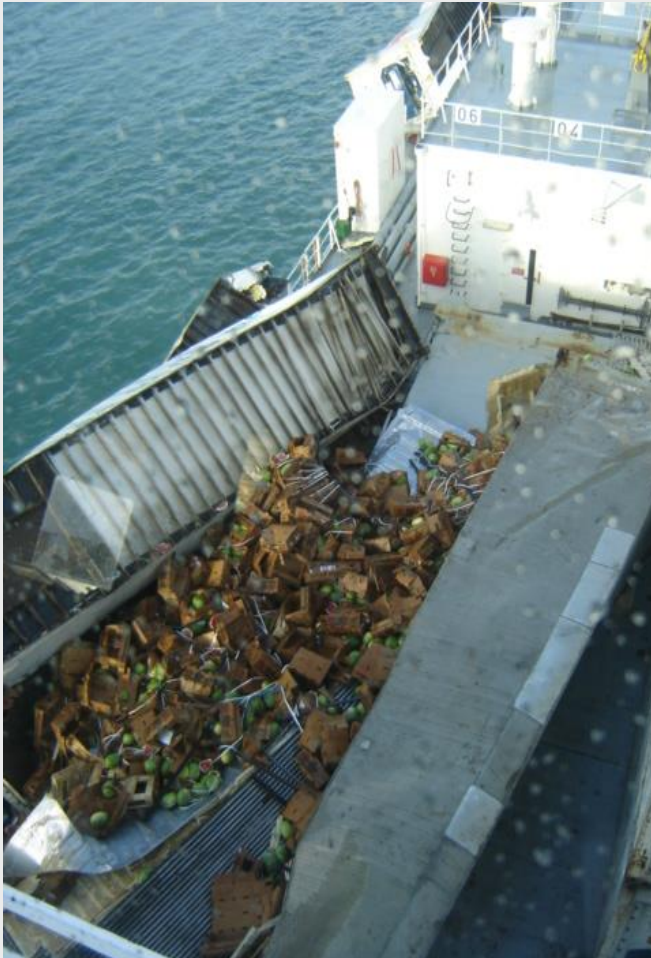


# Survey types

- Condition & preload condition surveys on reefer vessels
- Pre discharge surveys at destination
- Quality Control at destination



# Damage survey



- Delay!!!!
- Temperature anomaly due to wrong settings or technical failure
- Ventilation anomaly
- Mechanical damages
- Heavy weather



# Types of surveys

- Damage surveys
  - Issue LOP (liability, invitation to joint survey, request data logger download)
  - Tracking of container(s) & vessel(s)
  - Joint survey
    - Survey on the cargo and preferably the container as well (datalogger quick view)
    - Loss mitigation (priority sales, sorting out, alternative market, salvage sale, dumping e.g, biogas, fertilizers, incineration,...)
    - Collect as much as information as possible prior and during the survey
  - Issue detailed preliminary report ASAP, including circumstances, nature, extent and cause of the damage
  - What information do we need?
    - Certificate of origin, phyto certificate, stuffing reports, harvest and packing dates, B/L, packing list, PPECB inspection reports and temperature monitoring
  - Issue final report upon receipt of info on extent and cause

# Reporting

- Temp / vent problem
  - Carrying instructions (B/L, booking confirmation)

## **Delay**

- Booking confirmation
- Any relevant info (e-mail communication between shipper / forwarder and shipping line)
- Surveyor to check the tracking of the container on the shipping line website (often incomplete / incorrect info)
- Surveyor to track the vessel (s)
- Input needed from shipper / forwarder (e.g. Transnet Cyber attack, port strikes, non availability of reefer containers, steri / cold treatment issues at departure,...)

## **Claim calculation**

- Different sales / incoterms on 1 invoice (FOB, CIF,... )
- Insured value per box
- Tax credit notes without details
- Sales results with additional costs (QC, trucking to alternative warehouse, destuffing,...)
- Sound Market value determination (EU cargo policies)



# What challenges do we face?



## Shipping Lines

→ demanding formalities as delay tactics

- Title to claim
- Pre-shipment evidence
- LOP and joint survey
- Proof of salvage sale/destruction
- Best in class?

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## Internal

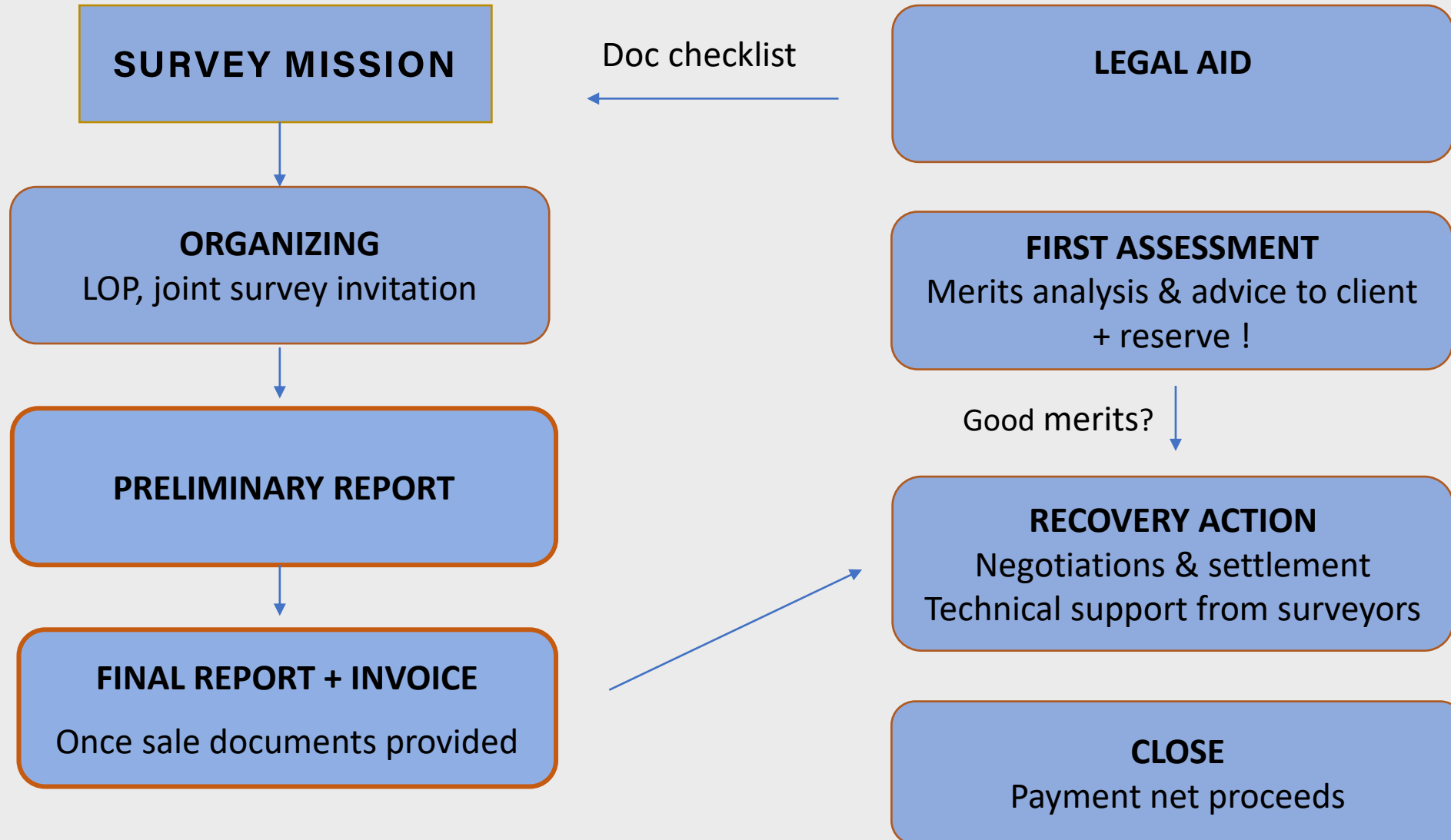
→ documents

- Theory versus practice



# How we tackle these challenges?

## One stop Shop !



## SURVEY

- B/L
- Invoice
- Packing list
- Preshipment info (PPECB)
- Booking
- Letter of Protest
- Pictures
- Temp recordings
- Salvage sale
- Destruction
- ASMV
- Documents supporting extra costs

## RECOVERY

- Final survey report + enclosures
- Subrogation form
- Letter of Authority
- Assignment of Rights
- Correspondence with carrier

### **BE AWARE:**

**TIMEBAR 1 YEAR as from date of discharge !**



## DELAY CLAIMS ?!?

2018 – 15 % vs 2021 – 75 %

Causes well known:

Covid-19, disruption logistics chain, port congestions, lockdowns, cyber attacks, shortage reefers, floodings, Russia/Ukraine,...

## DELAY CLAIMS?

## UNRECOVERABLE?



Carrier	Delay	Limitation	Law & Jurisdiction
HLAG	Excluded	3 x freight	Hamburg
HSUD	Excluded	3 x freight	Hamburg
MAERSK	Excluded	1 x freight	UK High Court
MSC	Excluded	1 x freight	UK High Court
CMA	Excluded	1 x freight	Marseilles
ONE	Excluded	None	Singapore
COSCO	Excluded	None	Shanghai
EVERGREEN	Excluded	None	UK High Court



# CASE STUDY

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Shipment: in March 2021, 13 containers with grapes o/b LIMARI arrived St Petersburg with damages due to delay in transit of 19 days.

Loss as per DPS survey report: 360.703 USD

Carrier: HAPAG LLOYD

Delays while in transshipment ports with no clear cause

Settlement: 13 x freight = 94.345 USD = ca. 26 %

Timeframe: October 2021 – April 2022

# Q & A

