



Ship Type: Bulk/ Dry Cargo Trade Area: India - Bangladesh

Bulletin 100 - 7/99 -Bagged Rice Ex India, Quantity/Quality Problems - Mongla Port - Bangladesh

We are presently seeing problems with rice discharges in Mongla, Bangladesh. These are mainly related to quantity and quality. The shippers appear to be well-established rice exporters from India, with the various shipments affected coming from Kandla, Mumbai, Vizag and Haldia.

We have received the following independent report on what is happening in Mongla, which may be of help to members trading in the area.

Quantity

- 1.1 The receivers attempt to show shortages by getting the stevedores to carry out "random check weighings of 10% of the bags".
- 1.2 Bamboo poles are tied together to make a tripod on which the balance and the pans are hung. There is neither a calibration record nor any certificate of accuracy from the Weights and Measures Department. In fact the bags are weighed not at random, but by deliberately selecting slack or torn bags to arrive at a pre-determined weight of say 5 or 6 kgs. short per bag.
- 1.3 The quantity of cargo received is arrived at, by multiplying the number of bags with the average weight of each bag.
- 1.4 The master is being given false assurances by the stevedores that the short weighment, indicated in the daily reports is for internal purposes only, and will not adversely affect the shipowner. Verbal assurances are being given that if the master signs the daily reports without remarks, the owners will not be held responsible.

Quality

- 2.1 The cargo of par-boiled non-Basmati rice is of the unsorted variety, viz all broken, discolored and dead grains have not been removed after the partial steaming and de-husking process.
- 2.2 Whereas the quality of rice in some shipments is well within the specifications, other shipments may be borderline, just managing to comply with the required parameters of cargo specification. The rice is generally of poor quality, low commercial value, and gives the appearance of inconsistent and wide color variations.
- 2.3 Hooks are indiscriminately used, both at load ports and at Mongla, resulting in excessive slack/torn bags and spillages.
- 2.4 At Mongla the last few hundred tons are unilaterally declared by the Food Department as "ship damaged cargo". The stevedores obligingly record it as such. In fact it may contain sound cargo, plus sound spillages plus dirty sweepings.

This serves a dual purpose :

(a) It is declared that the sub-standard cargo should be sold at a reduced price. The difference as compared to the full market value is substantial.

(b) If the Port Health Dept can be persuaded to declare the cargo as being unfit for human consumption, then the concerned parties go through the process of showing the "destruction" of the cargo.

- 2.5 The vessels are faced with excessive delays in discharging the cargo. Live infestation is visible in most cargoes on board. Fumigation is fairly expensive, the more so compared to the cheapness of the rice. Aluminium Phosphide fumigant tablets are used, without sachets. Since the tablets are applied directly to the cargo, the remnants are likely to get mixed with the re-bagged sound spillages.

Other Problems :

- 3.1 If the ship is on liner terms the master may occasionally receive instructions to shift back to the outer anchorage on the grounds that barges are not available or cargo has been damaged. Fearing an indefinite delay, plus the threat of armed pirates stealing the rice cargo and ship stores, masters are naturally reluctant to shift to the outer anchorage. We understand the authorities can be induced to cancel this order.
- 3.2 The shippers', charterers' and / or buyers' surveyors may board the ship to carry out an inspection of the hatch covers and ventilation system . With false assurances that the ship will be discharged as a priority and that there will be "no problem for the owners" the master is persuaded to sign a joint survey report indicating that the cargo is damaged.
- 3.3 The problems are compounded by the fact that after contracting to buy the rice, the Bangladesh authorities have realized the logistical difficulties in handling so many shipments in such a short span of time.

The inland carriers have been on indefinite strike since 27th June 1999.

There are insufficient warehousing facilities for the cargo.

The SW Monsoon seasonal rains have occurred slightly ahead of schedule.

The port is congested.

With consecutive good rains and prospects of the local rice crop being good, the price of rice in Bangladesh has dropped significantly since the contracts were signed.

Recommendations:

- 4.1 The master must suitably clause the Mate's Receipts plus relevant cargo documents, regarding the weight of bags and quality of rice.
- 4.2 Although the Inspection Agencies appointed by the Bangladesh Govt, issue their final report much later, the master must, before sailing from the load port, insist on an Interim Certificate, showing that the consignment of Rice loaded on board is in conformity with the contract.
- 4.3 The master should be warned of the practices prevailing at Mongla Port and of the associated risks.
- 4.4 The ship is responsible for number of bags loaded on board and is also responsible for spare original bags which must be delivered either empty or filled (with spillages / sweepings etc). Account must be kept of the numbers of both. It is strongly recommended that a recognized firm is appointed at Mongla Port to tally the number of bags being discharged from the ship. It is advisable that the Daily Working Report prepared by the owner's tally, indicating the number of bags and the manifested weight of each bag is submitted to the customs authorities on a regular basis. This will serve to refute short landing claims.
- 4.5 The master neither checks the weight of the bags nor is invited by the load port surveyors to participate in the weighing. The ship is not responsible for the weight of each bag. Therefore

during discharging, the ship need not participate in the random weighing of the bags. But it is imperative that masters do not accept stevedores' results of such random weighings. The company appointed by the owners to check/tally the bags at Mongla Port also need not participate in the random weighings carried out by the stevedores on behalf of the receivers.

Source of Information :- External For further advice see Loss Prevention Dept