

# Reefer claims loss prevention

A loss prevention America Focus publication



## Phase 1 - The booking

In advance of booking refrigerated cargo, the shipping line's reefer sales team should accurately forecast the projected types and volumes of refrigerated cargo for specific times, origins and trade lanes. Accurate forecasting is essential to facilitate the booking process and to ensure that the right types and amounts of equipment are available. The negative ramifications of inexact reefer forecasting are ominous and can potentially lead to refrigerated cargo outturn problems if incorrect types of equipment are dispatched.

Prior to accepting a reefer booking the shipping line and customer must agree on freight rates, which are listed in a service contract or applicable tariff. Costs for additional services such as controlled atmosphere, late gates, monitoring charges and overweight permits should be included in the service contract.

Prior to accepting and confirming a booking, the booking representative for the shipping line must check the following:

### **Equipment availability**

The booking representative must check with the operations department to ensure the equipment type requested is available and not deficit at the port of loading requested. If the equipment type is deficit, the operations team should confirm that they can or cannot reposition the correct types and amounts of equipment from another location to cover the booking.

### **Vessel space**

The booking representative must check with the traffic department to ensure the vessel has an adequate number of teu slots and reefer plugs available to accommodate the booking. It is not uncommon to have hundreds of reefer containers booked for a sailing during the peak summer months.

Once equipment and vessel space are confirmed, the following information must be received from the shipper during the booking process:

### **Temperature setting**

Fahrenheit or Celsius? Confusion and misapplication of Fahrenheit or Celsius thermostat settings is a leading cause of refrigerated cargo claims.

Be aware that the proper temperature settings for fresh produce and other horticultural items can (and do) vary greatly based on a number of factors such as season, growing region, variety and maturity. For example, the temperature requirements for oranges sourced from California and Florida are different. Moreover, temperature settings for Florida grapefruit change as the season progresses.

### **Vent setting (fresh air exchange)**

Book fresh air vent settings in cubic feet per minute (cfm) or cubic metres per hour (cmh). Do not use percentage or partial openings like ¼ or 25% open. Incorrect vent settings such as 25% or 50% could result in excessive amounts or fresh air exchange which may cause temperature and humidity management problems. Insufficient air exchange could damage produce and horticultural items by permitting the accumulation of injurious levels of O<sub>2</sub>, CO<sub>2</sub> and/or ethylene (C<sub>2</sub>H<sub>4</sub>) gases.

### **Controlled atmosphere (CA)**

If the shipping line is billing for CA services, the rates must be on file in the service contract or applicable tariff with the shipping line. In advance of booking any CA cargo, the shipping line should establish a written agreement with the CA vendor confirming that the vendor will supply certified, validated and complete CA downloads to the shipping line in a specified and timely fashion upon request. The agreement should also require that the CA vendor provides certified CA downloads that clearly indicate the reefer container alpha numeric identification, start of trip, dates, times (must indicate time zone), alarm codes/descriptions and corresponding oxygen, carbon dioxide, temperature, humidity and/or ethylene readings.

The agreement should also require that the CA vendor certify the accuracy of the CA system and sensors (i.e. oxygen, carbon dioxide, humidity, temperature, etc) and supply certificates of calibration to the shipping line in a specified and timely fashion upon request.



Either the shipping line or the CA vendor can provide CA services or equipment. Regardless of who provides the service, it is critical that the booking person confirms the availability of the CA service and reefer equipment (or CA compatible reefer equipment). CA service companies may or may not have equipment, personnel and operations in certain geographical locations.

The booking person must notify the accountable shipping line management and/or CA vendor of potential (pending) bookings and the specific types of perishable items (i.e. asparagus, avocados, mangoes, tomatoes, fresh salmon etc.) in order to make proper arrangements for the CA equipment, application and service.

**Place of receipt**

If the shipping line is arranging the trucking from an inland location, the address date and time that the cargo will be available for loading is required. Containers must be road legal and not overweight.

**Port of loading**

Port where the container will be loaded on board the vessel.

**Port of discharge**

Port where the container will be discharged from the vessel.

**Final Destination**

Place of final delivery. If a feeder vessel is involved, the shipping line must confirm feeder plug and vessel space availability. The container must be road legal and not overweight.

**Equipment type**

20 Ft. reefer, 40 Ft. reefer, 40 Ft. low or high cube.

**Genset required Y or N**

If the customer does not request a genset, this should be clearly stated in the booking confirmation. The shipping line should always use a genset for trips longer than one hour.

**Vessel cut-off /last receiving**

If the shipper is granted late receiving, the shipping line should confirm the date and time at the time of booking.

The shipping line must send the above booking details to the shipper (cargo interests) either via email or fax. The shipping line should also request that the shipper confirm by return email or fax that all booking information is correct. Copies of booking details and shipper's confirmation should be kept on file with the shipping line for a minimum of one year.



Acknowledgement:

**George Radu, Thomas Miller Insurance Services (San Francisco)**

Email: [George.radu@thomasmiller.com](mailto:George.radu@thomasmiller.com)

**Brendan Kruse, Thomas Miller (Americas) Inc. (New Jersey)**

Email: [Brendan.kruse@thomasmiller.com](mailto:Brendan.kruse@thomasmiller.com)