

Adapting to the VGM Global Mandate

The verified gross mass (VGM) global mandate takes effect this summer and failure to comply will impact the loading of containers onboard vessels. **By Don Pisano**



photo courtesy of the Port of New Orleans

The International Maritime Organization (IMO), based in London, England, is an agency of the United Nations tasked with the responsibility for the safety, security and environmental performance of international shipping. One of the most important international treaties regarding the safety of shipping and the mariners operating commercial vessels is the “Safety of Life at Sea” convention often referred to as the “SOLAS” convention. In May 2014, the IMO’s Maritime Safety Committee had adopted changes to the SOLAS convention that will require the “verified gross mass” (“VGM,” aka, container weight verification) of all export containers prior to shipment. This global mandate, with an effective date of July 1, 2016, will have a significant impact on the maritime industry.

VGM hopes to eliminate the mis-declaration of cargo weights that has been linked to tragic incidents like the breakup of the MSC Napoli off the southern U.K. coast back in 2007 and possibly several other calamities over the years. The desire and responsibility to ensure the safe voyage of container vessels is equally shared by carriers and shippers alike. However, there are significant concerns that this new requirement is not well known or understood by the very parties that are expected to comply

with the rule. Furthermore, many of the shippers of various types of products that actually do understand the rule complain that they do not have the current ability or facilities to accurately verify the gross mass of each container exported.

There are two acceptable methods to meet the VGM requirements: weigh the fully loaded container prior to tendering to the carrier; weigh all cargo being loaded into the container including packaging, pallets, dunnage, bracing materials, etc., and then add the tare weight of the container as indicated on the container doors or as otherwise informed.

In either case, weighing must be performed on scales certified by the local governing authority responsible for weights and measures.

Failure to Comply

Failure to provide the VGM will result in the carrier’s issuance of a “Do Not Load” order, which will keep the shipper’s container from being loaded onboard the intended vessel. Clearly the early implementation of this rule is bound to cause a great deal of problems for all parties in the supply chain. We can expect shipments delayed, vessels sailing light, storage charges at the terminal, and possible customs issues for withdrawal of declared exports, just to suggest a few.

While the actual requirements may seem clear enough to many, there are a number of issues that are less clear and may be cause for concern. The VGM rule did not include any tolerance factor, although weights recorded at one location may vary from the weight taken at another location. While there is hope that a tolerance factor of perhaps as much as five percent may be included in guidance documents, which should be provided by the entities that will be charged with overseeing compliance, such guidance has been slow in coming. In the United States, the U.S. Coast Guard will be responsible for ensuring compliance. Yet as of this writing, there have been no directives or guidelines provided to the American export industry which will be subject to the new weight verification requirements.

For many industries, the gross cargo weights are well accounted for and the weight declaration is an accurate and normal part of their export procedures. Adding the tare weight of the container is simple arithmetic. Other cargoes will face more of a challenge and may incur new procedures and costs to meet the requirements.

Much of the coffee and tea shipments exported today are weighed at the mills or plants prior to shipment. Weight certificates are a fairly standard required shipping document and normally issued with weights calculated by the package or drafts of packages, such as twenty bags per draft for a total gross weight. The package tare weight is clearly identified and deducted from the gross weight with the resulting net weight indicated and used for invoicing to the customer. The new rule will require that additionally, any kraft paper, pallets, desiccant bags, or any other material be weighed and accounted for in producing the total gross cargo weight, which then must be increased by the tare weight of the container to achieve the container’s VGM. This VGM must

be presented to the carrier in the form of a signed paper or electronic document prior to tendering the goods for export.

While the arithmetic may be simple enough, the proper scales, weighing facilities and procedures are not uniformly available throughout the world. The option for weighing the loaded container by itself may be limited due to lack of available equipment outside the marine terminals. Where only truck scales are available, the vehicles may be weighed light (empty) and then heavy (fully loaded) with accurate deductions for the chassis and the tractor and contents if attached while weighing occurs.

Although there are still a few months before the implementation, it is imperative for both the coffee and tea trades to ensure that their shippers are duly informed of the new SOLAS VGM rule and confirm that they will be able to fully comply with the international regulation prior to the July 1, 2016 effective date.

It will be up to the ocean carrier to provide clear instructions on how and when the verified gross mass is to be submitted to the carrier to comply with their requirements and avoid any delays in the loading and transport of the fully loaded container. Some shippers and shipper associations have already begun calling for a delay in the implementation due to concerns that the industry will not be ready or able to comply with the new requirements. However, these calls have received significant push back by the World Shipping Council and others as being unjustified and pointing to the fact that there already exists the requirement that cargo descriptions provided by shippers are correct and accurate, as should be reasonably expected. In any event, we all need to start asking the questions now so we can avoid waiting for containers which may be left behind when the regulation is put in place on July 1st. ☕

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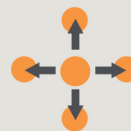
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