

Date	19 August 2024
То	Processors & Exporters (PE) Circular Recipients
Ref	PE24-41
Subject	MICA Shipping Guidelines and Proposed Webinar

## **Purpose**

This circular is intended to provide MIA members with information regarding a shipping guidelines initiative from the Meat Importers Council of America (MICA), a proposed webinar on this topic, and discuss how the New Zealand industry to consider these guidelines when negotiating shipping contract conditions. Webinar details and background information are contained within the body of this circular, and the shipping guidelines are available in Attachment 1.

## **Webinar Details**

MIA has arranged to host a webinar on Thursday 29 August for MICA to provide an overview of these guidelines, explain its benefits to shippers and importers, and answer any questions that industry may have.

Proposed Date: 29 August 2024

Time: NZST 9:00am

Webinar Invite and Registration Link:

https://events.teams.microsoft.com/event/6e938b34-294b-41d2-9255-95c72c39ddf3@754c475a-827d-4e3d-be74-4155da6afd90

To help deliver an efficient webinar, we are asking for as many questions as possible to be submitted in advance so we can ensure these are answered accordingly. Please submit any questions to <a href="mailto:natasha.watzdorf@mia.co.nz">natasha.watzdorf@mia.co.nz</a> by <a href="mailto:COB Friday 23 August 2024">COB Friday 23 August 2024</a> who will consolidate and share these with MICA ahead of the webinar.

## Meat Import Council of America Shipping Guidelines - Background

MICA initiated the development of a set of Shipping Guidelines following a persistent operational frustration and unreasonable costs that were accruing related to inconsistencies in the availability of free time (days allowed on and off dock) for containers of imported meat across all U.S. ports. The operational frustration resulted in inevitable detention and demurrage (D&D) surcharges for imports due primarily to diminishing and inconsistent free times once the cargo arrived in the US.

Essentially, the free times afforded on and off dock for imported containers of meat were so low under their contract terms that even under normal/typical operational circumstances the industry was finding that it was not able to cope before surcharges were assessed. Even before the cargo was moved from the vessel to the dockyard and to the cold storage warehouse it was

already accruing charges and there had not been an operational delay to account for. There just simply wasn't enough free time on and off dock built into the system to properly move and handle the cargo under those circumstances. Thus, the Shipping Guidelines were created to help exporters and shipping contract holders understand what terms were needed at the US port of entry to alleviate the problematic situation.

The Shipping Guidelines are available as operational recommendations/suggestions to the industry to try to stave off some of those challenges and costs and establish a more reasonable and consistent system to alleviate the otherwise (what was becoming) inevitable surcharges. The shipping contracts for imported meat in the US are typically between the exporter and the ocean carriers. The Shipping Guidelines are available to assist with those discussions, but the ultimate contract agreements remain with (and are encouraged to remain with) the individual parties. Ultimately, these are presented as preferred terms (though not required and certainly not mandated) to address the operational challenges.