

Global Business Club: Agri-Business

Explore Exports:
A World of Opportunity
Moving Your Products

Presented By:
Patrick Riffel
Business Development
Manager
HPC Transportation Brokerage,
LLC

Saginaw, MI 48601
989-399-0054 203
989-395-7875 Cell



The Transportation Component

- Being an Expert

The Transportation Component

- Being an Expert

- Knowledge of your endeavor

- Understanding the basics
 - Knowing where to find out what you do not know.

The Transportation Component

● Being an Expert

- Knowledge..... Experience.....
 - Understanding the basics
 - Knowing where to find out what you do not know.
- Understanding what your needs are and what is available to meet your needs
- Providing a shipping solution that works!

The Transportation Component

- ◉ What if something goes wrong?
 - Can an Expert help?
 - By following the rules of international maritime a good freight manager can mitigate problems and keep products moving in the supply chain with minimal and controllable interruptions.
 - Again, knowledge of what to do....

How do I.....

- ◎ Get My Products to my customer.
 - > Safely
 - > Securely
 - > In the same condition as I sent them.

Teleportation



Been There....

- India

- Moldy Boxes – What the???

- France

- I have to pay for what?

- Korea / Japan

- Your product was damaged when it arrived?

Protect my Reputation

◉ Learned Experience

- Document Everything
 - A Picture says it all!
- Being able to back it up.
 - Ethics
- I never thought that could happen?

Packing for Travel

- ◎ Airport Rules
 - What could go wrong.
- ◎ Load configurations
 - Truck
 - Rail
 - Steamship

How did that happen?

INCOTERMS

EXW – EX WORKS

FOB – FREE ON BOARD

DAP – DELIVERED AT PLACE

CFR – COST AND FREIGHT

CIP – CARRIAGE AND
INSURANCE PAID TO...

FAS – FREE
ALONGSIDE SHIP

FCA – FREE
CARRIER

CIF – COST INSURANCE AND FREIGHT

CPT – CARRIAGE PAID TO

DDP – DELIVERED DUTY
PAID

DAT – DELIVERED AT TERMINAL

INCOTERMS

- DAF,DES,DEQ AND DDU
 - ELIMINATED 2010
 - Replaced by DAT and DAP
- Understanding INCOTERMS
 - What INCOTERMS do:
 - INCOTERMS inform the sales contract by defining the respective obligations, costs and risks involved in the delivery of goods from Seller to Buyer.

INCOTERMS

● Understanding INCOTERMS

> What INCOTERMS DO NOT DO.

- INCOTERMS by themselves DO NOT:
- Constitute a contract
- Supersede the law governing the contract
- Define where title transfers, nor
- Address the price payable, currency or credit terms.

INCOTERMS

● Examples

> DAT – Delivered At Terminal

- The seller delivers the goods, once unloaded from the arriving means of transport, are placed at the Buyers disposal at a named terminal at the named port or place of destination. “Terminal” includes any place whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The Seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

INCOTERMS

● Examples (cont.)

➤ DAP – Delivered at Place

- The Seller delivers when the goods are placed at the Buyers disposal on the arriving means of transport ready for unloading at the named place of destination. The Seller bears all risks involved in bringing the goods to the named place.

INCOTERMS

● Maritime Only Terms

> FAS – Free Alongside Ship

- The Seller delivers the goods to the origin port. From that point, the buyer bears all costs and risks of loss or damage.

> FOB – Free On Board

- The Seller delivers the goods on board the ship and clears the goods for Export. From that point, the buyer bears all costs and risks of loss or damage.

INCOTERMS

- CFR - Cost and Freight
 - The seller clears the goods for export and pays the costs of moving the goods to destination. The Buyer bears all risks of loss or damage.
- CIF – Cost Insurance and Freight
 - The Seller clears the goods for Export and pays the cost of moving the goods to the port of destination. The Buyer bears all risks of loss or damage. The Seller, however, purchases the Cargo insurance.

What could possibly go wrong?

Figure 10



Lowest container discharged at Kotka, 5 March 2007

Understanding Potential Issues





22.06.2007







Now what do I do?



ISO Container Types



20' and 40' (x 8'6")
Dry cargo



20' and 40' (x
8'6" and 9'6")
Refer

ISO Container Types



20' and 40' (x 8'6")
Open Top



20' and 40' Flat
Rack

Shipping Transit Times

● Export shipping

> Perishable Goods

- Quickly in as little as 3 weeks (depending on location) more expensive
- 6 weeks or slower – less expensive
 - Refer Cost, temp tails

- ### > Of course, this all depends on many factors including destination and timing.

HTS Product Classification

● Harmonized Tariff Schedule

- A system of universal knowledge shared for maintaining accuracy in the product description of goods being shipped to another country.
- United States International Trade Commission
 - USITC.gov HTS Product Classification

Michigan Ag Export

- Top Export Markets

- Canada, Japan, Mexico, South Korea, China and Taiwan

- Top Export Commodities (Ag)

- Soybean and products \$457 M
- Feed Grain and products \$394 M
- Fruits and preparations \$145 M
- Vegetables \$144 M
 - 2010 \$1.75 B in Economic Activity

Michigan Ag Picture

- 56,014 Farms
- 18th Ranked State in US for Export
- 10,000,000 Acres of Farmland

Freight Management

- Freight Broker
 - Customs Broker
 - Freight Forwarder
- With the right connections you can make one call and let the experienced freight management professionals manage your freight from your yard to your customers, wherever they may be.

Q & A

Patrick Riffel
Business Development Manager
HPC Transportation Brokerage, LLC

Thank You

