



## Fresh Produce Transportation Best Practices

Fresh Produce Transportation Working Group

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*Best practices* are generally accepted, informally standardized techniques, methods or processes that have proven themselves over time to accomplish given tasks. The idea is that with proper processes, checks and testing, a desired outcome can be delivered more effectively with fewer problems and unforeseen complications. In addition, a "best" practice can evolve to become better as improvements are discovered. The Fresh Produce Transportation Working Group Best Practices is a guidance document.

The Best Practice documents are the recommendations created and agreed to by multiple facets of the produce industry supply chain.

The documents were also reviewed and endorsed by the Blue Book and the Dispute Resolution Corporation (DRC) to ensure the documents were in keeping with global industry trading guidelines.

Note: This guidance represents the collective thinking of associations and companies that have endorsed the document. It does not create or confer any rights for or on any person or company and does not operate to bind members of any association which has endorsed the document nor those with whom they do business.

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## SECTION 1: GENERAL BEST PRACTICES

The Fresh Produce Transportation Working Group recommends all parties subscribe to and follow these Fresh Produce Transportation guidelines, which provide specific criteria and direction for most trading challenges. Situations not covered by these best practices should be clearly communicated and agreed throughout your supply chain.

### **Know Your Supply Chain Partners**

Firms should define and document the criteria their supply chain partners should meet, including the following:

- License(s), permit(s) and legal authority
- Insurance and/or bond(s)
- Compliance certification(s) for equipment, product(s) and/or process(es)
- Historical track record of equipment, product(s) and/or process(es)
- Adequate training and performance of involved personnel
- Listed and well-rated by industry credit reporting agencies
- Employs recognized authorities and resources to resolve industry disputes
- Membership in good standing with appropriate organizations required for trade in your market

Firms should require their personnel to review all new and existing Vendors, Customers and Transportation/Logistics Providers for their compliance with these and other relevant criteria. The clear objective is to select and work with supply chain partners who are competent, compliant, reliable, honest and fair. Shippers, Receivers, Transportation/Logistics Providers and other parties (i.e., Carriers, Freight Forwarders, Operators, Freight Brokers) who engage in collaborative sales and operational planning are better able to cope with the supply and demand management issues.

- Communication is a key element to success. Expectations and procedures need to be discussed and explained fully to all stakeholders across the entire supply chain. Everyone must be able to adhere to important details, such as standard temperatures and agreed time frames. These details must be communicated clearly up and down the

supply chain. Supply chain efficiencies are created when there is clear, ongoing communication between all parties. As an example, when Shippers, Carriers and Receivers adopt a communication plan that keeps all parties informed with up-to-date appointment information and the ability of all parties to adhere to the scheduled time.

- All members of the produce supply chain should approach transportation issues and disputes with an understanding of the impact on the customer and/or consumer.
- All members of the produce supply chain should be respectful of the Operator's needs. The opportunities to shower, get a snack or simply hear a friendly voice are all small and meaningful considerations you can provide to Operators when they are on the road. Courtesy helps to develop relationships and alleviate frustrations. Shippers and Receivers strive to build loyalty, confidence and trust with Operators by addressing relevant environmental factors. The following are excellent starting points:
  - If possible, provide access to showers, coffee, snacks and other amenities
  - Encourage all employees to treat Operators with respect and to routinely extend simple courtesies, such as: "thank you", "you're welcome", "have a safe trip", "happy that you've arrived safely"
  - Streamline the process so that Operators can get in and out of facilities quickly
  - Streamline the payment process to Operators (e.g., electronic transfer of funds, pay within agreed upon terms, etc.)
  - Strive to better understand the needs of the Operator
  - Communicate fully and on a timely basis with Operators once they arrive at either the loading or delivery point by providing (1) good faith estimates as to when an Operator will be able to back into a door, (2) complete information as to the loading/unloading protocols and (3) explanations for procedures that may fall outside normal practices
- For Less than Truckload (LTL) shipments it is advised that:
  - Shippers and Receivers practice good load planning, including product and temperature compatibility.

- All Shippers and Receivers understand the impact of delays in loading and unloading
- When official inspections are necessary, Receivers are encouraged to receive the shipment under protest rather than holding the truck, if the intention is not to reject the load.
- Shippers and Receivers either establish or work with consolidation centers where full loads of product can be cross-docked into mixed loads
- Shippers and Receivers have agreements in place to address accessorial charges, such as lumpers or detention charges
- Complete all paperwork accurately. Whenever possible, utilize electronic means. The documentation that each player completes forms the fabric of their rights and responsibilities when challenges arise. For example, the Contract of Carriage (Bill of Lading, CMR) should contain the following minimum information:
  - Full name, address, telephone number (including an after-hours number), email and fax (if available) of the Carrier and the party(ies) the product was purchased from and sold to
  - Specific description of food item (e.g., brand, variety)
  - Quantity shipped or received
  - Date the covered activity started and ended
  - Temperature requirements of commodities being transported, including pulp temperature at loading and during transit
  - Location(s) and serial numbers of temperature recording units placed on the load, preferably initialed by Loader and Operator
  - Designate “Shipper load and count” if appropriate
  - Special needs or instructions as specified by the Shipper and/or the Receiver, including requirement for appointments for loading and unloading
  - Certifications and inspections required
  - Customs documents, if required

- Pallet requirements
- Seal numbers
- Operator's printed first and last name and signature
- Operators and Carriers are not required to provide pallets unless specifically agreed in advance
- Establish metrics to meet service expectations. Supply chain partners (Shipper, Carrier, Transportation/Logistics Provider and Receiver) agree to service-level metrics and expectations prior to moving a load or, in the case of an ongoing business relationship, periodically review a scorecard of service-level metrics and expectations. Criteria to be considered include:
  - On-time delivery
  - Pick-up time
  - Load management to prevent damage
  - Temperature management requirements
  - Daily check-in calls while in-transit
  - Check-in calls to report break downs
  - Report temperature problems or unusual delays
  - Check-in calls at departure, en route and on arrival
  - Readiness of equipment
  - When detention charges go into effect
  - Appointment scheduling efficiency
  - Operator handling reduction
  - Container/load stabilization
  - Who is responsible for securing, maintaining and returning temperature recorders, where applicable
  - Operator properly documented and qualified

- Sanitation policies
- Operator allowed on shipping and/or receiving dock
- All supply chain partners need to understand the requirements and their role in conforming to relevant Customs programs and regulations. A simple notice or documentation error can cause expensive delays.

### **Point-of-View Checklists**

The Fresh Produce Transportation Working Group has adopted a series of checklists to provide industry members with a quick reference for their day-to-day activities. The checklists have been organized according to function and include summaries from the viewpoint of:

- Shippers
- Receivers (e.g., wholesalers, distributors, food service distributors, retailers)
- Transportation/Logistics Providers and Carriers

The checklists are each divided into two sections. The first part contains the information that needs to be discussed between the parties before finalizing any agreement. The second part provides an overview of what the parties need to do once the load arrives at its destination.

## SECTION 2: SHIPPER CHECKLIST

### PRIOR TO LOADING

#### Between Shipper and Receiver

- Unless another “Term of Sale” is specified and agreed to in writing by both parties (such as FOB, FOB acceptance final, FOB at delivered price, or delivered sale, Free Carrier [FCA]); the default terms are FOB in North America and FCA in Europe.
- When no grade standard is specifically agreed to, such as U.S. No.1, Canada No. 1, EU Marketing Standards, etc., the default standard is “no grade” with Good Arrival Guidelines applicable to FOB [NA]/FCA [EU] sales.
- The Receiver is responsible to identify and communicate to the Shipper what certifications, documents and/or inspections are required and identify which documents need to physically accompany the loads to facilitate customs clearance.
- The Receiver needs to ensure the Shipper, Carrier, Transportation/Logistics Provider and any other stakeholders involved in the shipment know where (i.e., geographic location) the load is being shipped, including any deliveries or product being loaded before reaching the final destination.
- If the Shipper arranges the transportation/logistics, the Receiver needs to ensure that the Shipper and Transportation/Logistics Provider are fully informed of and meet all the Receiver’s requirements, including acceptable pallets.
- The Shipper, Carrier, Transportation/Logistics Provider and Receiver need to fully discuss their needs for estimated time of arrival/appointment time.
  - For over the road loads, the Hours of Service Regulations for Operators must be observed but, if the Shipper/Receiver does not know the status of the Operator’s logbook, it is the Carrier’s responsibility to inform them if the Operator has enough hours available to meet the desired appointment.
- Who unloads? It should not be assumed the Operator will unload or pay to unload the Means of Transportation. The parties need to agree who is responsible for unloading prior to loading and shipping.
  - The Best Practice is that Receivers unload the product unless other agreements have been made.



- Transit temperatures, relative humidity and atmospheric conditions *must* be specified on the Contract of Carriage and, in the absence of any agreement or clear instructions on temperature/humidity/atmospheric conditions, the Shipper should be contacted to obtain the required transit temperature/humidity/atmospheric conditions.
  - A reference guide for the best practice for temperature is in Appendix B.
- Receivers are responsible for communicating instructions and special requirements and any changes to the transportation/logistics instructions must be approved by the party responsible for hiring the Transportation/Logistics Provider, not the Transportation/Logistics Provider.
- The Carrier and/or the Operator should not accept a load if completion of the transport cannot be executed legally.
- Transportation/Logistics Providers must promptly relay any information from the Carrier to the Shipper/Receiver regarding delays or transit issues.
- The Shipper needs to maintain accurate records of how the product was packed, stored and otherwise handled prior to loading the Means of Transportation and make available in the event there is an issue.
- To the extent it is practical and creates efficiencies, an appointment scheduling process should be utilized rather than first come first served.

**Shipper and Operator confirm:**

- Refrigeration unit working properly
- Means of Transportation thermostat set point
- Means of Transportation pre-cooled or pre-warmed
- Clean Means of Transportation and document any issues, including physical damage, off odors, etc.
- Door seals on every door and unbroken
- Door seals, chute, and other equipment in good condition. (Remember both the Carrier and the Shipper can be held responsible for the condition of the Means of Transportation at shipping point.)
- The loading pattern should be noted on the Contract of Carriage. If not noted, the best loading pattern practices should be followed

- If the Operator is responsible for the count, the Shipper should allow the Operator to count the load; otherwise, the load should be marked as “Shipper’s load and count”
- It is the Shipper’s responsibility to load product at the right temperature. The Operator should be allowed to validate or witness multiple random pulp temperatures at the time of loading the Means of Transportation to ensure the refrigeration unit can maintain the specified temperature while en route. If the Operator cannot validate or witness pulp temperatures, the Receiver should be contacted for instructions.
  - If Operators are not allowed on the shipping dock, the temperature should be recorded on the Contract of Carriage with photographic evidence of temperature and the lot number made available to the Receiver.
  - Shipper should verify product loading temperatures at each pick up point in the supply chain at the time of loading and noted on the Contract of Carriage.
  - The agreed-to transit temperature inside the trailer or container, which are both clearly noted on the Contract of Carriage, should be maintained throughout the trip.
  - The Operator needs to document the location of all data recording devices on the Contract of Carriage and comply with all temperature instructions.
- Security seals should be used on all trailer or container doors/access points and security seal serial numbers, if used, must be noted on the Contract of Carriage. If a seal is required to be broken for a multi-stop load, the seal sequence should be noted on the Contract of Carriage.

## **FINAL CHECK BEFORE DEPARTURE**

### **Operator:**

- Confirm all temperature instructions, for example: refrigeration set point, F° or C°, continuous or cycle.
  - In the absence of a temperature instruction, refrigeration units should be set to run continuously at best practice temperature settings.

### **Shipper:**

- Document location of recorder device on the Contract of Carriage.
- Confirm accurate shipping and receiving address on the Contract of Carriage.
- Review receiver requirements as to appointments, unloading rules, etc.
- Clearly document on the Contract of Carriage who loaded and checked product so parties can be contacted in event of an issue.

## ON ARRIVAL

### Between Transportation/Logistics Provider, Carrier/Operator and Receiver

- Usage of seals on every door on the Means of Transportation is a best practice.
- The Receiver and Operator should validate seal(s) serial numbers and sequencing prior to opening the Means of Transportation to document if the seals have been broken and/or replaced and by whom.
  - Any change-out of security seals should be documented and the broken seals kept with the Contract of Carriage.
- If data recorders (i.e., Smart Unit™ or DataLink™) were ordered at the shipping point, the Receiver is responsible to locate and document on the Contract of Carriage where the data recording devices were placed on the Means of Transportation and the recorder serial numbers. If available, return temperature should also be documented.
  - The Receiver should validate and document in the Contract of Carriage the location of and temperature readings from all data recording devices, secure a copy and review the results with the Operator prior to unloading.
  - If a data recording device is permanently installed as part of the Means of Transportation, it should be documented on the Contract of Carriage and/or a download of the information should be provided promptly upon Receiver request.
  - If the Shipper documented and placed one or more temperature recording devices on the load and no recorders are found on arrival, the Receiver must document the missing recorder(s) and resolve the issue with the Carrier.
  - All parties should be familiar with how to read a data recorder download document and those downloads should be made available to all parties.
- As soon as *any* discrepancy is noticed, all evidence should be gathered, noted, witnessed and agreed upon by the Operator and the Receiver or third party.
  - Whenever possible document (i.e., photographs, notes, data logs, video, etc.) any and all exceptions to the Contract of Carriage, including receiving discrepancies.
  - The Operator is responsible for noting time of arrival /tender of delivery.
  - The Operator is responsible for noting moisture, frost, off odors, etc.

- The Operator is responsible to document who is “receiving” the goods with a printed first and last name and signature for identification in the event of a problem.
- When the pulp temperature of the product is outside of the Receiver’s specification, photographs of the temperature of the affected product and adjacent products on the load should be taken and shared with all parties.
- If unloading is delayed, the doors should be shut, unit left running, and the time of arrival/tender of delivery should be noted on the Contract of Carriage.
- Note and agree on the load condition, temperature and count of load and clearly note on the Contract of Carriage.

### **Between Receiver and Shipper**

#### **If the Receiver notices any product problems on arrival:**

- The Receiver must immediately notify the Transportation/Logistics Provider, Carrier and Shipper (not just the Operator).
- The Transportation/Logistics Provider and Receiver need to inform the Shipper promptly of rejection by the Receiver or any other unforeseen development of which the Transportation/Logistic Provider is informed.
  - If an agreement cannot be reached or decision makers are not available, the Receiver must request an official inspection (CFIA, USDA, EU, Marine Survey, where applicable, etc.) as soon as possible after receipt of goods (usually within 8 hours) or obtain a written agreement between the parties to use a private survey or an internal quality control inspection.
  - In the situation where the Receiver cannot obtain an official inspection or cannot be provided the inspection in a timely manner (taking into consideration the importance of knowing the temperature and condition of the product on arrival), the Receiver should obtain an inspection from an independent third party.
  - The Receiver must fax or electronically communicate the results of the inspection to the Shipper and the Transportation/Logistics Provider promptly (usually within 3 hours) after receiving the inspection results.

- Unless otherwise agreed to in writing, faxing or electronically communicating the results of the inspection to the Transportation/Logistics Provider does not mean that the Receiver and/or the Carrier have complied with his/her obligation to inform the Shipper of the results of the inspection in a timely manner.
- The Receiver should document any visual evidence of damage using a digital camera, regardless of inspection or lack thereof.
- If the product fails contract terms (default is FOB [NA], FCA [EU], PACA, Good Arrival Guidelines or CFIA destination tolerances where applicable—see appendix A), based on an official inspection, or some other pre-agreed private survey or pre-agreed quality control inspection, the Shipper and the Receiver (or Transportation/Logistics Provider if a Carrier claim) can:
  - Negotiate and confirm a price adjustment in writing
  - Reject the produce prior to unloading for any reason other than inspection unless otherwise agreed
  - If the Receiver can take product in under protest with documentation, including an inspection certificate, account of sales, etc., they should do so
  - Handle on an open basis or agree to handle on consignment; however, many businesses, especially retail, cannot meet accounting requirements for consignment
  - Agree to repack/recondition product with parties discussing charges and procedures and confirming all details in writing
- Regardless of fault, all parties should work together to mitigate losses.
- Document in writing all communications between Shipper, Receiver, Carrier and Transportation/Logistics Provider prior to and after negotiations by taking notes and faxing or electronically communicating your understanding.
- If a private survey or quality control inspection was agreed to, follow the same procedure for notice and documentation set out for an official inspection.
- When more than 5% of the product is going to be discarded, you must request an official inspection certificate showing the extent of the damage (e.g., 60% soft and decay); the amount of damage will be evidence as to the lack of commercial value.
  - Be advised that a statement by an official inspector which only states “applicant states product to be dumped” or “is without commercial value” is not acceptable as evidence of product without commercial value.

- Once notified of a rejection, the Shipper, in the case of a product claim (not a Carrier claim) should provide specific instructions to the Transportation/Logistics Provider or Carrier on how the product is to be removed and disposed of.
- All parties of interest should agree on proof of the produce disposal by way of certificate or other acceptable documentation.
- Any redelivery terms should be agreed upon by all parties.

## SECTION 3: RECEIVER CHECKLIST

### PRIOR TO LOADING

#### Between Shipper and Receiver

- Unless another “Term of Sale” is specified and agreed to in writing by both parties (such as FOB, FOB acceptance final, FOB at delivered price, or delivered sale, Free Carrier [FCA]); the default terms are FOB in North America and FCA in Europe.
- When no grade standard is specifically agreed to, such as U.S. No.1, Canada No. 1, etc., the default standard is “no grade” with Good Arrival Guidelines applicable to FOB shipping point sales.
- The Receiver is responsible to identify what certifications, documents and/or inspections are required and identify which documents need to physically accompany the loads to facilitate customs clearance.
- The Receiver needs to ensure the Shipper, Carrier, Transportation/Logistics Provider and any other stakeholders involved in the shipment know where (i.e., geographic location) the load is being shipped, including any deliveries or product being loaded before reaching the final destination; blind loads should have at least a geographic location.
- If the Shipper arranges the transportation/logistics, the Receiver needs to ensure that the Shipper and Transportation/Logistics Provider are fully informed of and meet all the Receiver’s requirements, including acceptable pallets.
- The Shipper, Carrier, Transportation/Logistics Provider and Receiver need to fully discuss their needs for estimated time of arrival/appointment time.
  - For over the road loads, the Hours of Service Regulations for Operators must be observed, but if the Shipper/Receiver does not know the status of the Operator logbook, it is the Carrier’s duty to inform them if the Operator does not have enough hours available to arrive within the desired timeframe.
- Who unloads? It should not be assumed the Operator will unload or pay to unload the Means of Transportation. The parties need to agree who is responsible for unloading prior to loading and shipping.
  - The Best Practice is that Receivers unload the product unless other agreements have been made.

- Lumper or gate fees
  - Carriers are not responsible for lumper fees, unless otherwise agreed.
  - The best practice is for the Receiver to pay for any unloading charges.
  - The Carrier should be advised of any such fees in advance and, if fees are to be expected, those fees are to be reimbursed or built into the freight rate.
- Transit temperatures, relative humidity and atmospheric conditions *must* be specified on the Contract of Carriage and, in the absence of any agreement or clear instructions on temperature/humidity/atmospheric conditions, the Shipper should be contacted to obtain the required transit temperature/humidity/atmospheric conditions.
  - A reference guide for the best practice for temperature is in Appendix B.
- Receivers are responsible for communicating instructions and special requirements and any changes to the transportation/logistics instructions must be approved by the party responsible for hiring the Transportation/Logistics Provider, not the Transportation/Logistics Provider.
- The Carrier and/or the Operator should not accept a load if completion of the transport cannot be executed legally.
- Transportation/Logistics Providers must promptly relay any information from the Carrier to the Shipper/Receiver regarding delays or transit issues.
- The Shipper needs to maintain accurate records of how the product was packed, stored and otherwise handled prior to loading the Means of Transportation and make available in the event there is an issue.
- After all parties agree on the terms of the commercial transportation/logistics agreement, the Transportation/Logistics Provider shall prepare in writing and deliver promptly to the Carrier a load confirmation/Contract of Carriage, including relevant details of the agreement.
- To the extent it is practical and creates efficiencies, an appointment scheduling process should be utilized rather than first come first served.

**Shipper and Operator Confirm:**

- Refrigeration unit working properly
- Means of Transportation thermostat set point
- Means of Transportation pre-cooled or pre-warmed



- Clean Means of Transportation and document any issues, including physical damage, off odors, etc.
- Allow Operator to count the load, or mark Contract of Carriage “Shipper’s load and count”
- Door seals on every door and unbroken
- Door seals, chute, and other equipment in good condition. (Remember both the Carrier and the Shipper can be held responsible for the condition of the Means of Transportation at shipping point.)
- The loading pattern should be noted on the Contract of Carriage. If not noted, the best loading pattern practices should be followed.
- The Operator should be allowed to validate or witness multiple random pulp temperatures at the time of loading the Means of Transportation to ensure the refrigeration unit can maintain the specified temperature while en route. If the Operator cannot validate or witness pulp temperatures, the Receiver should be contacted for instructions.
  - If Operators are not allowed on the shipping dock, the temperature should be recorded on the Contract of Carriage with photographic evidence of temperature and the lot number made available to the Receiver.
  - Shipper should verify product loading temperatures at each pick up point in the supply chain at the time of loading and noted on the Contract of Carriage.
    - The agreed-to transit temperature inside the trailer or container, which are both clearly noted on the Contract of Carriage, should be maintained throughout the trip.
    - The Operator needs to document the location of all data recording devices on the Contract of Carriage and comply with all temperature instructions.

## **ON ARRIVAL**

### **Between Transportation/Logistics Provider, Carrier/Operator and Receiver**

- Usage of seals on every door on the Means of Transportation is a best practice.
- The Receiver and Operator should validate seal(s) serial numbers and sequencing prior to opening the Means of Transportation to document if the seals have been broken and/or replaced and by whom.
  - Any change-out of security seals should be documented and the broken seals kept with the Contract of Carriage.
- If data recorders (i.e., Smart Unit™ or DataLink™) were ordered at the shipping point, the Receiver is responsible to locate and document on the Contract of Carriage where

the data recording devices were placed on the Means of Transportation and the recorder serial numbers. If available, return temperature should also be documented.

- The Receiver should validate and document in the Contract of Carriage the location of and temperature readings from all data recording devices, secure a copy and review the results with the Operator prior to unloading.
- If a data recording device is permanently installed as part of the Means of Transportation, it should be documented on the Contract of Carriage and/or a download of the information should be provided promptly upon Receiver request.
- If the Shipper documented and placed one or more temperature recording devices on the load and no recorders are found on arrival, the Receiver must document the missing recorder(s) on arrival and resolve the issue with the Carrier.
- All parties should be familiar with how to read a data recorder download document and those downloads should be made available to all parties.
- As soon as *any* discrepancy is noticed, all evidence should be gathered, noted, witnessed and agreed upon by the Operator and the Receiver or third party.
  - Whenever possible document (i.e., photographs, notes, data logs, video, etc.) any and all exceptions to the Contract of Carriage, including receiving discrepancies.
  - The Operator is responsible for noting time of arrival /tender of delivery.
  - The Operator is responsible for noting moisture, frost, off odors, etc.
  - The Operator is responsible to document who is “receiving” the goods with a printed first and last name and signature for identification in the event of a problem.
  - When the pulp temperature of the product is outside of the Receiver’s specification, photographs of the temperature of the affected product and adjacent products on the load should be taken and shared with all parties.
- If unloading is delayed, the doors should be shut, unit left running, and the time of arrival/tender of delivery should be noted on the Contract of Carriage.

### **Between Receiver and Shipper**

#### **If the Receiver notices any product problems on arrival:**

- The Receiver must immediately notify the Shipper, Transportation/Logistics Provider and Carrier (not just the Operator).

- The Transportation/Logistics Provider and Receiver need to inform the Shipper promptly of rejection by the Receiver or any other unforeseen development of which the Transport/Logistic Provider is informed.
  - If an agreement cannot be reached or decision makers are not available, the Receiver must request an official inspection (CFIA/USDA/EU/marine survey where applicable, etc.) as soon as possible after receipt of goods (usually within 8 hours) or obtain a written agreement between the parties to use a private survey or an internal quality control inspection.
  - In the situation where the Receiver cannot obtain an official inspection or cannot be provided the inspection in a timely manner (taking into consideration the importance of knowing the temperature and condition of the product on arrival), the Receiver should obtain an inspection from an independent third party.
  - The Receiver must fax or electronically communicate the results of the inspection to the Shipper and Transportation/Logistics Provider promptly (usually within 3 hours) after receiving the inspection results.
  - Unless otherwise agreed to in writing, faxing or electronically communicating the results of the inspection to the Transportation/Logistics Provider does not mean that the Receiver and/or the Carrier have complied with his/her obligation to inform the Shipper of the results of the inspection in a timely manner.
  - The Receiver should document any visual evidence of damage using a digital camera, regardless of inspection or lack thereof.
- If the product fails contract terms (default is FOB [NA], FCA [EU], PACA, Good Arrival Guidelines or CFIA destination tolerances, where applicable—see appendix A), based on an official inspection, or some other pre-agreed private survey or pre-agreed quality control inspection, the Shipper and the Receiver (or Transportation/Logistics Provider if a Carrier claim) can:
  - Negotiate and confirm a price adjustment in writing
  - Reject the produce prior to unloading for any reason other than inspection unless otherwise agreed
  - If the Receiver can take product in under protest with documentation, including an inspection certificate, account of sales, etc., they should do so

- Handle on an open basis or agree to handle on consignment; however, many businesses, especially retail, cannot meet accounting requirements for consignment
- Agree to repack/recondition product with parties discussing charges and procedures and confirming all details in writing
- Regardless of fault, all parties should work together to mitigate losses.
- Document all communications in writing between Shipper, Receiver and Transportation/Logistics Provider prior to and after negotiations by taking notes and faxing or electronically communicating your understanding.
- If a private survey or a quality control inspection was agreed to, follow the same procedure for notice and documentation set out for an official inspection.
- When more than 5% of the product is going to be discarded, you must request an official inspection certificate showing the extent of the damage (e.g., 60% soft and decay); the amount of damage will be evidence as to the lack of commercial value.
  - Be advised that a statement by an official inspector which only states “Applicant states product to be dumped” or “is without commercial value” is not acceptable as evidence of product without commercial value.
- All parties of interest should agree on proof of the produce disposal by way of certificate or other acceptable documentation.

## SECTION 4: TRANSPORTATION/LOGISTICS PROVIDER AND CARRIER CHECKLIST

### PRIOR TO LOADING

#### Between Shipper, Transportation/Logistics Provider, Carrier and Receiver

- It is the Transportation/Logistics Provider's duty to fully inform the parties of all terms and conditions of the proposed contract.
- Unless another "Term of Sale" is specified and agreed to in writing by both parties (such as FOB, FOB acceptance final, FOB at delivered price, or delivered sale, Free Carrier [FCA]); the default terms are FOB in North America and FCA in Europe.
- When no grade standard is specifically agreed to, such as U.S. No.1, Canada No. 1, EU Marketing Standards, etc., the default standard is "no grade" with Good Arrival Guidelines applicable to FOB [NA]/FCA [EU] sales.
- The Receiver is responsible to identify and communicate to the Shipper what certifications, documents and/or inspections are required and identify which documents need to physically accompany the loads to facilitate customs clearance.
- The Receiver needs to ensure the Shipper, Carrier, Transportation/Logistics Provider and any other stakeholders involved in the shipment know where (i.e., geographic location) the load is being shipped, including any deliveries or product being loaded before reaching final destination; blind loads should have at least a geographic location.
- If the Shipper arranges the transportation/logistics, the Receiver needs to ensure that the Shipper and Transportation/Logistics Provider are fully informed of and meet all the Receiver's requirements, including acceptable pallets.
- The Shipper, Carrier, Transportation/Logistics Provider and Receiver need to fully discuss their needs for estimated time of arrival/appointment time.
  - For over the road loads, the Hours of Service Regulations for Operators must be observed but, if the Shipper/Receiver does not know the status of the Operator's logbook, it is the Carrier's responsibility to inform them if the Operator has enough hours available to meet the desired appointment.
- Who unloads? It should not be assumed the Operator will unload or pay to unload the Means of Transportation. The parties need to agree who is responsible for unloading prior to loading and shipping.

- The Best Practice is that Receivers unload the product unless other agreements have been made.
- Transit temperatures, relative humidity and atmospheric conditions *must* be specified on the Contract of Carriage and, in the absence of any agreement or clear instructions on temperature/humidity/atmospheric conditions, the Shipper should be contacted to obtain the required transit temperature/humidity/atmospheric conditions.
  - A reference guide for the best practice for temperature is in Appendix B.
- Receivers are responsible for communicating instructions and special requirements and any changes to the transportation/logistics instructions must be approved by the party responsible for hiring the Transportation/Logistics Provider, not the Transportation/Logistics Provider.
- The Carrier and/or the Operator should not accept a load if completion of the transport cannot be executed legally.
- Transportation/Logistics Providers must promptly relay any information from the Carrier to the Shipper/Receiver regarding delays or transit issues.
- The Shipper needs to maintain accurate records of how the product was packed, stored and otherwise handled prior to loading the Means of Transportation and make available in the event there is an issue.
- After all parties agree on the terms of the commercial transportation/logistics agreement, the Transportation/Logistics Provider shall prepare in writing and deliver promptly to the Carrier a load confirmation and Contract of Carriage, including relevant details of the agreement.

## **ON ARRIVAL**

### **Between Transportation/Logistics Provider, Carrier/Operator and Receiver**

- Usage of seals on every door on the Means of Transportation is a best practice.
- The Receiver and Operator should validate seal(s) serial numbers and sequencing prior to opening the Means of Transportation to document if the seals have been broken and/or replaced and by whom.
  - Any change-out of security seals should be documented and the broken seals kept with the Contract of Carriage.
- If data recorders (i.e., Smart Unit™ or DataLink™) were ordered at the shipping point, the Receiver is responsible to locate and document on the Contract of Carriage where the data

recording devices were placed on the Means of Transportation and the recorder serial numbers. If available, return temperature should also be documented.

- The Receiver should validate and document in the Contract of Carriage the location of and temperature readings from all data recording devices, secure a copy and review the results with the Operator prior to unloading.
- If a data recording device is permanently installed as part of the Means of Transportation, it should be documented on the Contract of Carriage and/or a download of the information should be provided promptly upon Receiver request.
- If the Shipper documented and placed one or more temperature recording devices on the load and no recorders are found on arrival, the Receiver must document the missing recorder(s) on arrival and resolve the issue with the Carrier.
- All parties should be familiar with how to read a Smart Unit download document and those downloads should be made available to all parties.
- As soon as *any* discrepancy is noticed, all evidence should be gathered, noted, witnessed and agreed upon by the Operator and the Receiver or third party.
  - Whenever possible document (i.e., photographs, notes, data logs, video, etc.) any and all exceptions to the Contract of Carriage, including receiving discrepancies.
  - The Operator is responsible for noting time of arrival /tender of delivery.
  - The Operator is responsible for noting moisture, frost, off odors, etc.
  - The Operator is responsible to document who is “receiving” the goods with a printed first and last name and signature for identification in the event of a problem.
  - When the pulp temperature of the product is outside of the Receiver’s specification, photographs of the temperature of the affected product and adjacent products on the load should be taken and shared with all parties.
- In the event there are product problems due to the Receiver delaying the unloading, the Operator or Carrier should contact the Shipper for instructions.
- If unloading is delayed, the doors should be shut, unit left running, and the time of arrival/tender of delivery should be noted on the Contract of Carriage.

## **Between Receiver and Shipper**

### **If the Receiver notices any product problems on arrival:**

- The Receiver must immediately notify the Transportation/Logistics Provider, Carrier and Shipper (not just the Operator).

- The Transportation/Logistics Provider and Receiver need to inform the Shipper promptly of rejection by the Receiver or any other unforeseen development of which the Transport/Logistic Provider is informed.
  - If an agreement cannot be reached or decision makers are not available, the Receiver must request an official inspection (CFIA, USDA, EU, Marine Survey, where applicable, etc.) as soon as possible after receipt of goods (usually within 8 hours) or obtain a written agreement between the parties to use a private survey or an internal quality control inspection.
  - In the situation where the Receiver cannot obtain an official inspection or cannot be provided the inspection in a timely manner (taking into consideration the importance of knowing the temperature and condition of the product on arrival), the Receiver should obtain an inspection from an independent third party.
  - The Receiver must fax or electronically communicate the results of the inspection to the Shipper and Transportation/Logistics Provider promptly (usually within 3 hours) after receiving the inspection results.
  - Unless otherwise agreed to in writing, faxing or electronically communicating the results of the inspection to the Transportation/Logistics Provider does not mean that the Receiver and/or the Carrier have complied with his/her obligation to inform the Shipper of the results of the inspection in a timely manner.
  - The Receiver should document any visual evidence of damage using a digital camera, regardless of inspection or lack thereof.
- If the product fails contract terms (default is FOB [NA], FCA [EU], PACA, Good Arrival Guidelines or CFIA destination tolerances, where applicable—see Appendix A), based on an official inspection, or some other pre-agreed private survey or pre-agreed quality control inspection, the Shipper and the Receiver (or Transportation/Logistics Provider if a Carrier claim) can:
  - Negotiate and confirm a price adjustment in writing
  - Reject the produce prior to unloading for any reason other than inspection unless otherwise agreed
  - If the Receiver can take product in under protest with documentation, including an inspection certificate, account of sales, etc., they should do so



- Handle on an open basis or agree to handle on consignment; however, many businesses, especially retail, cannot meet accounting requirements for consignment
- Agree to repack/recondition product with parties discussing charges and procedures and confirming all details in writing
- Regardless of fault, all parties should work together to mitigate losses.
- Document in writing all communications between Shipper, Receiver, Carrier and Transportation/Logistics Provider prior to and after negotiations by taking notes and faxing or electronically communicating your understanding.
- If a private survey or quality control inspection was agreed to, follow the same procedure for notice and documentation set out for an official inspection.
- When more than 5% of the product is going to be discarded, you must request an official inspection certificate showing the extent of the damage (e.g., 60% soft and decay); the amount of damage will be evidence as to the lack of commercial value.
  - Be advised that a statement by an official inspector which only states “Applicant states product to be dumped” or “is without commercial value” is not acceptable as evidence of product without commercial value.
- Once notified of a rejection, the Shipper, in the case of a product claim (not a Carrier claim) should provide specific instructions to the Transportation/Logistics Provider or Carrier on how the product is to be removed and disposed of.
- All parties of interest should agree on proof of the produce disposal by way of certificate or other acceptable documentation.
- Any redelivery terms should be agreed upon by all parties.
  - If the Transportation/Logistics Provider subcontracts to a Carrier, it is the Provider’s sole responsibility to make the Carrier aware of the terms and conditions of the contract.

## APPENDIX A

### DEFINITIONS

**Broker:** This Fresh Produce Best Practices document contains references which are representative of those parts of the chain who are contractually and financially responsible for getting the product from shipping point to its final destination. We have specifically not included produce or transportation brokers. A broker by definition is not a financially responsible party and cannot make decisions independently from his principal. The industry has evolved and the vast majority of transactions include produce and transportation firms who are not brokers, but firms who take both contract and financial responsibility when entering into a business transaction. A firm operating as a broker, or a firm using a broker are responsible for demonstrating all parties were aware before, during, and after any agreements that all parties knew they were negotiating with a party who was not financially and contractually responsible for carrying out the agreed terms.

**Carrier:** Individual or entity that physically transports produce from shipping point to destination.

**CFIA:** Canadian Food Inspection Agency

**CMR:** Convention of the Contract for the International Carriage of Goods by Road [Convention Relative au Contrat de Transport International De Marchandises par Route]

**Consignment Sale:** When produce is sold on consignment, it is sold by someone other than the owner of the produce, namely, the “consignee.” Commission and expenses are deducted from gross proceeds to arrive at the return due the owner or “consignor.” Consignees are expected to use good faith to arrive at reasonable returns and to support their returns with a detailed accounting and a timely government inspection certificate.

**Contract of Carriage:** Legal shipping documents such as Bills of Lading and CMRs, containing agreed upon standard terms and conditions of transport between a Carrier (freight trucking carrier, air cargo carrier, ocean carrier, etc.) and the Receiver of the goods. Contracts of Carriage define the rights, duties and liabilities of parties to the contract as defined in the General Best Practices of this document,

**DRC:** Fruit and Vegetable Dispute Resolution Corporation

**FCA (Free Carrier):** A trade term that requires the seller of goods to deliver those goods to a named airport, shipping terminal, warehouse, or other Carrier location specified by the Receiver.

**FOB Sale:** Usually a fixed-price sale where, as between Shipper and Receiver, the risk of loss or damage in transit is borne by the Receiver.

**Good Delivery/Good Arrival:** These terms are synonymous and refer to the Shipper's warrantee of suitable shipping condition, which is the Shipper's assurance that produce sold on an FOB basis will arrive at contract destination without abnormal deterioration, provided transportation conditions are normal. Good Arrival Guidelines for assessing what constitutes abnormal deterioration are issued by the USDA's PACA Branch (U.S. guidelines) and the DRC (Canadian guidelines). These guidelines are based on the percentage of defects reported at contract destination by a timely government inspection certificate.

**Hours of Service:** Regulations governing the number of hours an operator may legally drive and/or be "on duty" on a daily and weekly basis.

**Means of Transportation:** Vehicle used for transportation, including truck, ship, plane, train.

**NAPTWG:** The North American Produce Transportation Working Group is a subcommittee of the International Fresh Produce Association's Supply Chain Committee.

**Open Sale:** A sale whereby the parties intend to agree on a price, not at time of purchase, but at some later time, usually after the product has been resold by the buyer. When no agreement on price can be reached, a "reasonable" price may be determined with reference to (1) the market value of the commodity in question, (2) its condition upon arrival as shown by a timely government inspection certificate, (3) reasonable and customary deductions for profit and handling, and (4) any freight expenses incurred by the buyer. A "price-after-sale" transaction is a type of open sale whereby the parties specifically intend to agree on price after the product is sold.

**Operator:** Person or persons responsible for driving the truck or conveyance from shipping point to destination, using due care to protect the produce in the Carrier's possession (e.g., monitoring temperature control), and performing other duties as agreed by the Carrier and the party that hired the Carrier.

**PACA:** An office of the U.S. Department of Agriculture responsible for administering the Perishable Agricultural Commodities Act enacted to promote fair trading practices in the produce industry.

**Receiver:** Individual or entity accepting delivery of produce.

**Shipper:** Produce seller operating storage and loading facilities from which produce is shipped.

**Should:** Used to express what is probable or expected. While “should” can express a recommendation, advice, obligation, or expectation in different circumstances, for purposes of this document it means if you are following the Best Practices set forth in this document there is an expectation among others following the practices that you will strive to adhere to that point.

**Transportation/Logistics Provider:** These individuals or entities do not haul produce themselves but take responsibility for meeting the transportation needs of their customers by hiring underlying Carriers, coordinating shipping details, and monitoring performance. A Transportation/Logistics Provider is a principal party to two separate contracts: one purchasing transportation services from a Carrier; and the other selling the transportation services to a produce vendor. Although the term “Truck Broker” is used loosely in the industry, Transportation/Logistics Providers are not “brokers” in the technical sense of the word.

# APPENDIX B

## GOOD TEMPERATURE GUIDELINES

### Compatibility Chart for Fruits & Vegetables in Short-Term Transport of Storage Jim Thompson – University of California. Davis

Table 1: Compatible produce for long-distance transport. Produce in the same temperature column can be safely mixed. Ethylene-sensitive vegetables should not be mixed with ethylene-producing fruits and vegetables. Dry vegetables can be mixed with other fruits and vegetables on trips lasting less than about 1 week.

Produce	Recommended Storage Temperatures				
	0-2 C (32-36 F)	4-7 C(40-45 F)	7-10 C(45-50 F)	13-18 C (55-65 F)	
Dry vegetables	dry onion 1,3,9 garlic			ginger5 pumpkin squash, winter	
Ethylene-Sensitive vegetables	arugula* asparagus Belgian/endive bok choy broccoflower broccoli* br sprouts cabbage1 carrot 1,3 cauliflower celery1,3,9 chard	chicory Chinese/ cabbage collards* cut vegetables. endive escarole green onion7 herbs (not basil) kailon*	kale* leek8 lettuce mint mushroom*7 mustard green* parsley parsnip snow peas* spinach* sweet peas* turnip greens watercress	beans, snap etc*10 cactus leaves fava bean lima bean potato, late crop1 southern peas* basil* chayote cucumber* eggplant*5 kiwano long bean okara pepper (chili) squash, summer* tomatillo watermelon	potato, early crop* tomato, mature green

Recommended Storage Temperatures						
Produce						
0-2 C (32-36 F)						
4-7 C(40-45 F)						
7-10 C(45-50 F)						
13-18 C (55-65 F)						
Vegetables (not ethylene sensitive)	alfafa sprts	daikon	rhubarb7		calabaza	cassava
	amaranth*	horseradish	rutabaga		haricot vert	jicama
	anise	jerusalem	salsify		pepper, bell*10	sweet potato (boniato)
	artichoke	artichoke	scorzonera		winged bean	taro (malanga)
	bean sprouts*	kohlrabi	shallot			yam
	beet	lo bok	sweet corn			
	celeriac	raddichio	swiss chard		luffa* **	tomato, ripe* **
	radish	turnip				
		waterchestnut				
Fruits and Melons (very low ethylene producing)	arbados cherry	logan	blood	babaco	bitter melon	breadfruit
	blackberry	loquat	orange4	tamarillo	canistel	
	blueberry	lychee	cactus pear	calamondin*	grapefruit, CA, AZ4	
	caimito	orange FL4	(tunal)	tangelo	jaboticaba*	
	cashew apple	persimmon	jujube	carambola		
	cherry	raspberry*	kumquat	ugli fruit		
	coconut	strawberry*	mandarin4	casaba melon		
	currant		olive	cranberry		
	date		orange, CA, AZ4	grapefruit4		
	dewberry		pepino	Juan Canary melon		
	elderberry		pomegranate	lemon4		
	gooseberry		tamarind	lime4		
	grape6,7,8		tangerine4	limequat		
				pineapple2,10		
			pummelo4			
Ethylene-producing	apple1,3,9	peach	durian	avocado,	atemoya	papaya
fruits and melons	apricot	pear, Asian	feijoa	unriope	banana	plantain
	avocado, ripe	pear, European1,9	guava	crenshaw melon	cherimoya	rambutan
	cantaloupe	plum	honeydew melon	custard apple	jackfruit	sapodilla
	cut fruits	plumcot	persian melon	passion fruit (granadilla)	mamey	sapote
	fig 1,7,8	prune		sugar apple	mango	soursop
	kiwifru	quince			mangosteen*	
	nectarine					

## NOTES:

\* Less than 14-day shelf life at recommended temperature and normal atmosphere condition.

\*\* Produces moderate amounts of ethylene and should be treated as an ethylene-producing fruit.

1. Odors from apples and pears are absorbed by cabbage, carrots, celery, figs, onions and potatoes
2. Avocado odor is absorbed by pineapple
3. Celery absorbs odor from onion, apple, and carrot
4. Citrus absorbs odor from strongly scented fruits and vegetables
5. Ginger odor is absorbed by eggplant
6. Sulfur dioxide released from pads used with table grapes will damage other produce
7. Green onion odor is absorbed by fig, grape, mushroom, rhubarb and corn
8. Leek odor is absorbed by fig and grape
9. Onion odor is absorbed by apple, celery, pear, and citrus
10. Pepper odor is absorbed by beans, pineapple, and avocado

*Note: This guidance represents the collective thinking of associations and companies that have endorsed the document. It does not create or confer any rights for or on any person or company and does not operate to bind members of any association which has endorsed the document, nor those with whom they do business.*

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