MEMBER ALERT

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PALM OIL PRODUCTS DENSITY CALCULATIONS IN INDONESIAN PORTS

Recent experiences by survey agencies have led to palm oil product (e.g. RBD palm oil, RBD palm olein, etc.) shortages based on incorrect density tables and charts being supplied by shippers. This Member Alert focuses on what Members should be mindful of to prevent against shortage claims that may result from such practices.

It has been observed amongst surveyors that density tables/charts supplied by shippers at Indonesian ports are unreliable. These have led to shore received quantities showing up as shortages.

It appears that pre-determined sets of tables are calculated for one year that runs into the next year and so on. After a lapse of 2 to 3 years, a further set of density tables are calculated and given by the shipper to the vessel that cannot be termed as accurate. The relationship between temperature and density is directly proportional to the quantity that is obtained.

Recommendations:

1. The densities of the palm oil products should be provided to the vessel by sending the samples of the cargo loaded at that temperature in the current voyage to the designated laboratory in port of loading at Indonesia, rather than relying on pre-determined set of density tables.

2. The authenticity of the shore lab should be confirmed by the Charterers for the Member. If this is not possible, then the receivers at discharge port should be advised by the Charterers to accept the load port density whilst calculating shore received quantity at the discharge port.

3. In addition, there are concerns regarding the calibration of shore tank at discharge ports such as Karachi and Port Bin Qasim in Pakistan. It is to say that we are still unsure of the standard of calibration of the shore tank, and have to rely blindly on the validity of the tank calibration tables provided by the shore terminal.

4. The Club suggests that all efforts should be made so that the Member is only responsible for quantities of cargo calculated by ullaging on arrival and should not be held responsible, once the cargo has crossed the ship's manifold or ship's rails, into the shore tanks.

We would like to thank James Finlay, Ltd. for their contribution to this Member Alert.

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