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(P&I Services) Ltda.

LOSS PREVENTION

HOLDS APPROVAL FOR LOADING: CLEANLINESS STANDARDS CLARIFICATION

The approval for loading is often an unnecessary contentious issue.

The dispute over holds cleanliness in bulk carriers can lead to operational delays and financial losses. In general, the dry bulk trades admit five levels of holds cleanliness: Hospital Clean (or 'stringent' cleanliness); Grain Clean (or high cleanliness); Normal Clean; Showel Clean; and Load on Top; with applicability based on the cargo type. The precise ascertainment of those levels varies by location and inspector, leading to potential disputes as a consequence of mere subjective assumptions.

This inconsistency, coupled with vague Charter Party terms, frequently results in disputes. Typical contracts lack specific cleanliness criteria, leading to varying interpretations and disputes based on surveyor satisfaction regarding holds condition (e.g., clean, dry, free of previous cargo residues, and rust scaling).

"vessel's holds to be clean, dry, and free from rust scales and residues of any previous cargo to charterer's nominated independent surveyor's satisfaction."

"vessel's holds are in good condition and will be so maintained, suitable for carriage of cargoes which require a high degree of cleanliness, such as for instance: grain, alumina, valuable minerals, mineral ores and forestry products."

"All holds cleaned and suitable in every respect for the purpose of loading grain in bulk to the satisfaction of the competent authorities and relative certificate obtained. Should the holds not meet the satisfaction of the competent authorities, the additional cleaning as required to be at the owners' expenses and hire to be suspended until holds are all accepted."

"Vessel's holds on delivery at loading port to be clean/swept/washed down by fresh water and dry and free of loose rust scale and previous cargo residue to be ready to receive Charterers' intended cargo, in all respects, to the satisfaction of the Charterers'/shippers' surveyors. Should vessel fail to pass hold inspection, vessel to be placed off-hire from the rejection until she passes re-inspection and any direct related expenses incurred to be for Owner's account."

"On delivery vessel to be grain clean, with holds washed, clean, dry, free of loose paint / loose rust / scale, free of any stains or residues of previous cargo(es), free of bugs, and ready in every respect and in all compartments to receive grain to shippers / independent surveyors' satisfaction. The vessel shall be off hire from the time of the failure to pass inspections until the time she passes inspections."

Establishing clear fitness standards is crucial. The requirements outlined in the International Maritime Solid Bulk Cargoes (IMSBC) Code and/or Grain Code should be considered, which often specify for many cargoes: **"clean and dry as relevant to the hazards of the cargo"**.



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In the USA, vessels loading grains or oilseeds usually undergo a stowage examination by the United States Department of Agriculture (USDA) Federal Grain Inspection Service (FGIS) to ensure cleanliness in cargo spaces. This examination aims to determine if the stowage areas are clean, dry, free of infestation, rodents, toxic substances, foreign odor, and otherwise suitable to store or carry bulk or sacked grain, rice, beans, peas, lentils, or processed commodities.

The necessity of holds cleanliness is contingent upon the cargo's sensitivity to contamination. For example, soya beans may tolerate minor coal residues, which do not compromise cargo quality, highlighting the need for practical cleanliness standards.

Another critical aspect is the condition of "loose paint/loose rust/scale." FGIS standards specify that stowage areas must not contain loose rust or paint scale for commodities not requiring further processing before human consumption. However, with specific limitations on the acceptable are of loose materials (*"for ships and barges, a stowage area must not contain more than 25 square feet of loose rust scale or paint scale in a single area or more than 100 square feet of loose rust scale or paint scale in aggregate"*) apply to commodities requiring further processing.

Determining the technical ability and responsibility of nominated surveyors is equally important. While in the past, Brazilian Ministry of Agriculture officers conducted hold cleanliness examinations, this responsibility now falls on Cargo Supervising Companies nominated by shippers. Each company has a registered Commodity Agricultural Grader, whose technical competence and responsibility in examining compartments must be identified accurately.

It is recommendable to incorporate explicit cleanliness standards into contracts; and ensure cleanliness inspections are conducted by qualified Agricultural Commodity Graders, registered by the Ministry of Agriculture, ensuring accountability and technical adequacy.

By establishing clear standards and qualifications, disputes over holds cleanliness can be minimized, facilitating smoother operational processes for bulk carriers operations.

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