

## *USA Rice Millers' Association*

# **TERMS FOR TRANSACTIONS IN RICE AND RICE PRODUCTS**

Terms of sale in this booklet cover traditional methods of shipping rice as well as those introduced in recent years. Where applicable, definitions incorporate trade customs and practices long in use and which may, in some cases, be unique to rice. For example, for more than 30 years, custom of the trade has established the point of delivery of rice sold "F.A.S. vessel named port of shipment" as being delivery to a point of rest under cover in a shipside warehouse or transit shed on docks within the named port.

Terms of sale defined herein apply both to shipment on a commercial basis and under U.S. Government-financed programs.

For purposes of clarity, consistency and uniformity, the USA Rice Millers' Association (RMA) recommends that these terms be recognized as industry standards for all sales transactions involving U.S. rice. In contracts specifying that "RMA terms" apply, these terms will, of course, govern.

These terms are not intended to supplant or be a substitute for any remedies at law or in equity that any party may have, except that transactions subject to these terms shall be deemed to have excluded the following to the extent they would otherwise be applicable:

- (i) The United Nations Convention on Contracts for the International Sale of Goods (1980)
- (ii) The United Nations Convention on Prescription (Limitations) in the International Sale of Goods (1974) and the amending Protocol (1980)

These terms are effective as of July 22, 2008, and shall apply to all transactions entered into on or after that date.

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General Terms

**SECTION I**

**C.I.F. NAMED POINT OF DESTINATION**

**1. PRICE — C.I.F.** (named point of destination) price to Buyer shall include charges for: rice, packaging (if any), marine insurance (as specified in paragraph 2 below), transportation to destination, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), export taxes, any and all other fees and charges levied because of exportation of rice, and all costs for delivery on board ocean carrier.

**2. MARINE INSURANCE** — Marine insurance, coverage as specified in the contract, otherwise shall be a standard warehouse-to-warehouse policy with particular average coverage and shall include coverage against damages resulting from strikes, riots and civil commotions. Risks not covered are: theft, pilferage, non-delivery of entire package or packages, loss of weight or contents, breakage, bursting of bags, damage by hooks, damage by fresh water, and tainting or bad odors.

**3. WAR RISK INSURANCE** — War risk insurance, when available, shall be obtained by Seller upon request and at expense of Buyer.

**4. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, rice is placed on board a suitable vessel or in the custody of a suitable carrier or its agent.

After delivery, as above, all risks and expenses shall be responsibility of Buyer, and thereafter tender to Buyer, or its agent, directly or indirectly, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**5. DUTIES AND EXPENSES OF BUYER** — Buyer shall receive rice upon delivery at destination, handle and pay for all subsequent movement, including taking delivery from vessel, and pay all costs of landing, including any duties, import license, consular fees, taxes, and other expenses at destination.

**6. LINER TERMS/FREE OUT** — If term of sale is "free out", Buyer or Receiver is responsible for (a) arranging and (b) paying for discharging cargo from vessel. If term of sale is "liner terms", vessel is responsible for (a) arranging and (b) paying for discharging cargo from vessel.

**SECTION II C.&F. NAMED POINT OF DESTINATION**

C.&F. contracts shall be identical in all respects to C.I.F. contracts as specified in Section 1, except that Buyer shall provide and pay costs of any marine insurance desired by Buyer.

**SECTION III**

**F.O.B. CARRIER NAMED INLAND ORIGIN POINT**

**1. PRICE** — F.O.B. carrier (named inland origin point) price to Buyer shall include charges for rice, packaging (if any), any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), and all costs for loading rice on carrier at inland origin point as provided by contract.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within the time specified by the contract, delivered rice by placing it on or in carrier at the named origin point.

After delivery to carrier, all risks and expenses, including but not limited to any switching and inspections en route, shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable carrier to be placed at the named origin point on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable carrier at the named point of origin within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable carrier at the named point of origin, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE AND FREIGHT** — Buyer shall be responsible for cost of transportation and any desired insurance.

#### SECTION IV

##### F.O.B. CARRIER NAMED POINT OF DESTINATION

**1. PRICE** — F.O.B. carrier (named point of destination) price to Buyer shall include charges for rice, packaging (if any), any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), transportation to named point of destination, and insurance (if any) to named point of destination.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within the time specified by the contract, delivered rice to the named point of destination.

After delivery to named point of destination, all risks and expenses, shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at the named point of destination on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable vessel at the named point of destination within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable vessel at the named point of destination, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

#### SECTION V

##### F.O.B. ELEVATOR IN BULK NAMED PORT OF SHIPMENT

**1. PRICE**— F.O.B. elevator in bulk (named port of shipment) price to Buyer shall include charges for rice, transportation to elevator designated in the contract, insurance (if any) to elevator, inbound charges, other elevator charges as specified in the contract, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), and, if applicable, wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract when, within the time specified by the contract, it shall have delivered the rice into elevator at the named port of shipment.

After delivery into elevator at the named port of shipment, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for elevator at the named port of shipment on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for elevator at the named port of shipment within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15th day after the last shipping date Buyer shall still have failed to provide for elevator at the named port of shipment, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

## **SECTION VI F.O.B. END OF LOADING SPOUT IN BULK NAMED PORT OF SHIPMENT**

**1. PRICE**— F.O.B. end of loading spout in bulk (named port of shipment) price to Buyer shall include charges for rice, transportation to bulk facility, in and out charges at bulk facility, insurance (if any) to discharge end of loading spout, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), and, if applicable, wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, it shall have delivered the rice by placing it at discharge end of loading spout at point of transfer of rice to a suitable vessel, as specified in the contract.

After delivery at discharge end of loading spout, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at named origin point ready and fit in all respects to load rice and arranged for stevedores to load rice from end of spout on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable vessel within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of suitable vessel, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE, FREIGHT, STEVEDORING AND SERVICE AND FACILITY CHARGES** — Buyer shall be responsible to provide and pay for ocean freight and other subsequent transportation costs and any marine insurance.

The F.O.B. end of loading spout in bulk (named port of shipment) price does not include stevedoring charges, such being charges for loading, stowing and trimming rice aboard a suitable vessel.

Titles I and III of PL 480 use this term of sale.

Service and facility charges are separate charges and are not part of F.O.B. end of loading spout in bulk price.

## **SECTION VII F.O.B. VESSEL IN BULK NAMED PORT OF SHIPMENT**

**1. PRICE** — F.O.B. vessel in bulk (named port of shipment) price to Buyer shall include charges for rice, transportation to vessel, wharfage, insurance to vessel, loading, stowing, and trimming as specified in the contract, any required inspection certificates, and any required weight certificates (both inspection and weight certificates to be issued at mill as rice is shipped or as otherwise required under the contract), and wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, it shall have delivered rice aboard a suitable vessel at a named port of shipment, as specified in the contract.

After delivery F.O.B. vessel in bulk, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at named port of shipment on a timely basis ready and fit in all respects to load rice.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable vessel within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% within such 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable vessel, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE, FREIGHT AND SERVICE AND FACILITY CHARGES** — Buyer shall be responsible to provide and pay for ocean freight and other subsequent transportation costs and any marine insurance.

Service and facility charges are separate charges and are paid as specified in the contract.

## **SECTION VIII DELIVERED LOAD PORT**

**1. PRICE** — Delivered load port price to Buyer shall include charges for rice, transportation to point of loading, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), transfer to barge, barge transportation to named port of export, insurance (if any) to place of transfer, and, if applicable, wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, it shall have delivered rice to the named load port.

After delivery to named load port, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at the named load port on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable vessel at the named load port within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15th day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable vessel at the named point of destination, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

## **SECTION IX LOADED BARGE AT LOAD PORT**

**1. PRICE** — Loaded barge at load port price to Buyer shall include charges for rice, transportation to point of loading, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), and, if applicable, wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, it shall have delivered and loaded rice into a suitable barge/vessel at the named load port.

After delivery and loading into a suitable barge/vessel at the named load port, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable barge/vessel to be placed at the named load port on a timely basis ready and fit in all respects to load rice.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable barge/vessel within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% within such 14-day period. If on the 15th day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable barge/vessel, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**SECTION X**  
**F.O.B. BARGE DELIVERED MIDSTREAM IN BULK NAMED PORT OF EXPORT**

**1. PRICE** — F.O.B. barge delivered midstream in bulk (named port of export) price to Buyer shall include charges for rice, transportation to point of loading, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), transfer to barge, barge transportation to named port of export, insurance (if any) to place of transfer, and, if applicable, wharfage. Midstream means alongside loading facility.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when, within the time specified by the contract, it shall have delivered rice in a suitable barge to a named port of export and arranged at its expense for barge to be moved to alongside Buyer's loading facility as specified in the contract.

After delivery in barge midstream, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for suitable loading facilities on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of suitable loading facilities within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% within such 14-day period. If on the 15th day after the last shipping date Buyer shall still have failed to provide for timely placement of suitable loading facilities, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**SECTION XI F.A.S. DOCK DELIVERED BY RAIL OR TRUCK TO A PLACE AT NAMED PORT OF SHIPMENT**

**1. PRICE** — F.A.S. dock (named port of shipment) price to Buyer shall include charges for rice, packaging, any transportation to a point of rest under cover in a shipside warehouse or transit shed on dock within named port, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), unloading, and wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within the time specified by the contract, delivered rice to a point of rest under cover in a shipside warehouse or transit shed arranged by Buyer on dock within named port.

Thereafter, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable point of rest under cover in a shipside warehouse or transit shed within named port on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide a suitable point of rest under cover in a shipside warehouse or transit shed within named port within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% within such 14-day period. If on the 15th day after the last shipping date Buyer shall still have failed to provide a suitable point of rest under cover in a shipside warehouse or transit shed within named port, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**SECTION XII F.A.S. VESSEL NAMED PORT OF SHIPMENT**

**1. COMPLETION** — F.A.S. vessel (named port of shipment) price to Buyer shall include charges for rice, packaging, transportation to a point of rest under cover in a shipside warehouse or transit shed on dock designated and arranged for by Seller within named port, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), unloading, and wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within the time specified by the contract, released to Buyer, for loading to vessel, rice located at a point of rest under cover in a shipside warehouse or transit shed on dock designated and arranged for by Seller within named port, unless the parties have agreed otherwise.

Thereafter, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at named port of shipment on a timely basis ready and fit in all respects to load rice. Buyer shall also be obliged to provide a suitable dock space to which rice is to be delivered, unless the parties have agreed otherwise in writing.

As time is normally of the essence, failure of Buyer in such a case to provide for (a) timely placement of a suitable vessel and (b) a suitable dock space for delivery within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% within such 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable vessel or a suitable dock space, Buyer shall pay for the rice at the contract price plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE, FREIGHT, STEVEDORING AND SERVICE AND FACILITY CHARGES** — Buyer shall be responsible to provide and pay for ocean freight and other subsequent transportation costs and any marine insurance.

The F.A.S. vessel (named port of shipment) price does not include stevedoring charges, such being charges for moving rice from its point of rest under cover in a shipside warehouse or transit shed within named port to alongside vessel for loading to vessel.

Service and facility charges are separate charges and are not part of F.A.S. price.

### **SECTION XIII F.A.S. NAMED PORT OF SHIPMENT DELIVERED IN MARINE CONTAINER**

**1. PRICE** — In case of rice delivered in marine containers by rail or truck, F.A.S. (named port of shipment) price to Buyer shall include charges for rice, packaging, picking up empty containers, delivery to place of loading and stuffing of containers, transportation of marine containers to a point of rest in steamship line terminal container yard designated and arranged for by Buyer at named port, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), and wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within the time specified by the contract, delivered rice in marine containers to a point of rest in steamship line terminal container yard designated and arranged for by Buyer.

Thereafter, all risks and expenses (including refusal of container line to accept container) shall be the responsibility and expense of Buyer. (without prejudice to Buyer's rights against container line). Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided a suitable marine container and a suitable ocean vessel on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable marine container and/or a suitable ocean vessel within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable marine container and/or a suitable ocean vessel, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE, FREIGHT, STEVEDORING, TERMINAL CONTAINER YARD CHARGES AND SERVICE AND FACILITY CHARGES** — Buyer shall be responsible to provide and pay for ocean freight and other subsequent transportation costs and any marine insurance. The F.A.S. (named port of shipment) price for rice delivered to container yard in marine containers by rail or truck does not include charges for stevedoring and/or terminal yard charges, being charges such as (1) removing container from chassis (wheels), (2) landing/ stacking, (3) reloading container to chassis (wheels), and (4) moving container from its point of rest within steamship line terminal container yard to alongside vessel for loading to vessel.

Service and facility charges are separate charges and are not part of F.A.S. price.

**SECTION XIV  
F.A.S. NAMED PORT OF SHIPMENT DELIVERED BY RIVER BARGE**

**1. PRICE**— In case of deliveries by river barge, F.A.S. (named port for rice, packaging, transportation shipment) price to Buyer shall include charges in river barge to alongside vessel within reach of ship's tackle at a named port designated and arranged for by Seller, any required rice inspection certificates, any required weight certificates (both inspection and weight certificates to be issued at mill when rice is shipped or as otherwise required under the contract), and, if applicable, wharfage.

**2. COMPLETION OF SELLER'S DUTIES** — Seller shall have discharged its contractual duties, other than presentation of documents required under the contract, when it shall have, within time specified by contract, delivered the river barge to alongside vessel within reach of ship's tackle at named port(s) of shipment.

Thereafter, all risks and expenses shall be the responsibility and expense of Buyer. Tender to Buyer, or its agent, of documents required under the contract shall entitle Seller to payment pursuant to the contract, but without prejudice to any subsequent claims of Buyer.

**3. COMPLETION OF BUYER'S DUTIES** — Buyer shall have discharged its contractual duties, other than payment pursuant to the contract, when it shall have provided for a suitable vessel to be placed at named port of shipment on a timely basis.

As time is normally of the essence, failure of Buyer in such a case to provide for timely placement of a suitable vessel within 14 days from the last shipping date shall entitle Seller to interest on the contract price at the prime rate plus 5% for that 14-day period. If on the 15<sup>th</sup> day after the last shipping date Buyer shall still have failed to provide for timely placement of a suitable vessel, Buyer shall pay for the rice at the contract price, plus accrued interest at the prime rate plus 5% until the date of payment.

**4. INSURANCE, FREIGHT, STEVEDORING AND SERVICE AND FACILITY CHARGES** — Buyer shall be responsible to provide and pay for ocean freight and other subsequent transportation costs and any marine insurance.

The F.A.S. (named port of shipment) price for rice delivered in river barges does not include charges for stevedoring, such being charges for loading rice from barge to vessel.

Services and facility charges are separate charges and are not part of F.A.S. price.

**SECTION XV GENERAL TERMS**

**1. CONTRACT TERMS** — Contracts between Buyer and Seller should designate factors which enter into price determination in addition to those specified in Sections I through XIV as applicable. For example, transferability of remaining free time to Buyer, number and type of required rice inspection and other certificates, fumigation, storage, etc.

**2. INSPECTION** — Where rice inspection is required under the contract, quality and condition of rice delivered shall be determined and certified at Seller's expense by an inspector employed or licensed by the United States Department of Agriculture, or as provided by the contract, and in accordance with and by reference to classes, grades and specifications prescribed by the United States Department of Agriculture's United States Standards for Rice in effect at time and date of contract. Quality and condition thus determined shall be final and binding.

**3. SALES BY SAMPLE** — For sales made upon basis of samples supplied by Seller, rice delivered shall be from original lot or be nearly identical to said original lot in every respect. In case of dispute regarding conformity of rice delivered when compared to the sample, the dispute will be referred to and resolved by an inspector employed or licensed by the United States Department of Agriculture or as provided by the contract.

For sales made upon basis of registered type sample, rice inspection certificate delivered to Buyer shall specify that rice shipped is equal to or better than the specified registered type sample. Said certificate shall be final and binding.

**4. EXAMINATION AND CLAIMS** — Buyer shall have responsibility for examination of rice at designated point whether at dock, warehouse, or on board carrier and for filing claims for loss or damage with carriers, insurers or others.

**5. SHORT WEIGHTS** — Claims for shortages, including claims for shortages in number of bags delivered or in weight, shall not be timely made unless mailed or sent to Seller within thirty days after arrival of rice at destination, accompanied in case of weight by a weigher's certificate.



Seller shall not be responsible for any weighing charges not ordered by it.

All claims for weight shortages shall make an allowance of one-quarter of one percent to compensate for natural shrinkage and variation in scales employed.

**6. CREDIT MODIFICATION** — Seller reserves right at anytime in good faith to suspend or change credit terms provided in contract, when, in its sole opinion, the financial condition of Buyer or political condition of country of delivery or country of Buyer's residence so warrants. In such case, in addition to any other remedies herein or by law provided, cash payment or satisfactory security from Buyer may be required by Seller before shipment of total contract amount or any portion thereof, and/or the due date of payment may be accelerated by Seller. Failure to pay all or part of purchase price or other charges when due shall make all subsequent price installments and other charges immediately due and payable irrespective of terms, and Seller may withhold all subsequent shipments until the full account is settled. Acceptance by Seller of less than full payment shall not constitute a waiver of its rights.

**7. ARBITRATION** — Claim or controversy arising out of or relating to contract, or existence, validity or breach thereof, shall be finally settled by arbitration in accordance with arbitration rules of the USA Rice Millers' Association governing on effective date of contract. Any such arbitration shall be filed within a reasonable time after a claim or controversy arises, and in no event later than six months after the claim or controversy arose.

**8. SHIPPING ADVICE AND PACKAGE MARKS** — Buyer shall supply complete shipping instructions and marks for packages or containers as specified in contract. If Buyer fails to supply shipping instructions and marks as called for in the contract, Seller must make a written demand for shipping instructions and marks. If Buyer has not provided shipping instructions and marks by close of business of next business day after Buyer's receipt of written demand, Seller may, at its option, (1) set aside and appropriate rice to the contract and store it in its own facilities or elsewhere at Buyer's expense, or (2) in cases of F.A.S. contracts, deliver rice to a point of rest under cover in a shipside warehouse or transit shed of its selection in the designated port, utilizing marks of its selection, and thereafter upon presentation of Seller's invoices and warehouse receipts or dock receipts to Buyer, title shall pass and full contract price become immediately due and payable. Increase in Seller's expense and cost occasioned by the above failure shall be for Buyer's account and in addition to any other legal remedies which Seller may have.

**9. NOTICES** — All notices shall be hand-delivered or given by letter, by telegram, or by telex, or by other form of written communication. Any notices received after 1700 hours local time of addressee on a business day shall be deemed to have been received on business day immediately following.

**10. PACKAGES** — All rice shall be packaged and such packages shall contain marks as specified by contract.

Weight and design of shipping containers or packages shall be that provided in standard freight classifications if available.

Stenciling shall not be permitted unless mutually agreed.

**11. BUYER'S MARKS AND DEFAULT** — In event that rice shall be packed in containers bearing brand, name or trademark of Buyer, and Buyer shall fail to accept delivery or otherwise fail to discharge its obligation under the contract, Seller shall have right to sell or otherwise dispose of said rice at any time and place in the United States that it may select, without regard to Buyer's brand, name, or trademark.

**12. SEPARABILITY OF SHIPMENTS** — In contracts specifying or permitting shipment in two or more installments, each installment shall be a separate and independent sale. Nonperformance as to one installment shall not diminish or affect contractual obligations of the non-performing party as to any other installment. The performing party, at its option, may cancel the contract for any and all remaining installments or seek legal remedies or remedies as specified in the contract.

**13. DEFINITIONS** — "Rice" shall mean rice, rice products, and rice by-products. It shall include: rough rice, milled rice, brown rice, broken rice, undermilled rice, parboiled rice, precooked rice, rice flour, rice bran, rice polish, rice hulls, rice mill feed, and any other rice product or by-products.

"Weight" — shall mean net weight.

"Hundredweight" — shall mean one hundred (100) pounds net weight.

**14. SUPERSEDE TERMS OF PRIOR DATE** — These RMA Terms shall supersede and replace all prior versions.