

APPLICATION OF RULES

The Sales Contract and Rules are to serve as a guide only for transactions. It is understood that the parties to such transactions are free to adopt, modify or disregard the Sales Contract or the Rules.

TRADING RULES ***for the Purchase and Sale*** ***of*** ***SOYBEAN OIL***

Adopted May 21, 1930

Amended: Oct., 1931; Oct., 1932; Oct., 1933; Oct., 1934; Aug., 1936; Sept., 1936; Oct., 1936; Oct., 1937; Aug., 1938; Aug., 1939; June 1940; Oct., 1940; Oct., 1941; Feb., 1942; July 1943; Sept., 1943; July 1944; Sept., 1945; Oct., 1947; Sept., 1948; Sept., 1949; Sept., 1950; Sept., 1951; Sept., 1952; Sept., 1953; Sept., 1954; Sept., 1955; Sept., 1956; Sept., 1957; Sept., 1958; Sept., 1959; Sept., 1960; Sept., 1961; Sept., 1963; Sept., 1964; Sept., 1965; Sept., 1966; Sept., 1967; Aug., 1969; Aug., 1970; Aug., 1971; Aug., 1972; Aug., 1976; Aug., 1977; April, 1978; Aug., 1978; Aug., 1979; Aug., 1980; Aug., 1981; Aug., 1982; Aug., 1983; June, 1984; Nov., 1984; Jul., 1985; June, 1987; June, 1988; June, 1989; Nov. , 1989; June, 1991; June, 1992; June, 1998; Aug., 1999; Feb., 2006; Apr., 2006; Oct, 2014; Sept 2017.

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Trading Rules for the Purchase and Sale of Soybean Oil

RULE 101—SALES CONTRACT

Section 1. AGREEMENT

Buyer agrees to buy and Seller agrees to sell soybean oil in the quantities and on the terms, conditions, and provisions of the SALES CONTRACT set forth in Section 2 hereof.

Section 2. SALES CONTRACT

Contract No. _____

Contract made at _____ (City), _____ (State)
 this _____ day of _____, 20____, between _____ (Seller),
 of _____ (City), _____ (State), hereinafter called the Seller, and
 _____ (Buyer) of _____ (City), _____ (State), hereinafter called the
 Buyer.

The Seller hereby sells and agrees to deliver, and the Buyer hereby purchases and agrees to receive in the amounts and on the terms and conditions hereinafter set forth, the following quantity of PURE SOYBEAN OIL, produced from domestic grown, mature, yellow soybeans, unless otherwise specified, guaranteed, as of the date of such shipment, to be, on such date, not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, and not an article which may not, under the provisions of Section 404 or 505 of the Act, be introduced into interstate commerce:

		PRICE
		Crude Basis
	Pounds	Tank Cars..... ¢ per lb.
Tank Cars about.....lbs. each		Tank Trucks.....¢ per lb.
Tank Trucks about.....lbs. each		Drums..... ¢ per lb.
Drums about 400 lbs.....lbs. each		Barrels.....¢ per lb.
		Cans.....¢ per lb.

F.O.B.....

Delivery from warehouse (L.C.L.)

Delivery in car lots from mill

Time of Shipment:

.....Jan.Apr.JulyOct.
.....Feb.MayAug.Nov.
.....Mar.JuneSept.Dec.

Agent or Broker.....

Terms of payment: Net cash, no discount. Carloads: Sight draft, Bill of Lading attached. L.C.L. Shipments: Ten (10) calendar days net. Oil shipped on open terms subject to sight draft if not paid in ten (10) calendar days.

This sale is made under the Trading Rules of the National Oilseed Processors Association governing purchase and sale of soybean oil in effect on date of purchase, which Rules are hereby made a part of this contract.

The Buyer and Seller hereby acknowledge familiarity with the text of the Trading Rules of the National Oilseed Processors Association, and Buyer and Seller agree to be bound by the terms and conditions of said Rules.

Some of the material covered by this contract may be used on a contract with the Federal Government to which the provisions of Section 202 of Executive Order 11246 apply and, consequently, Section 202 is incorporated herein by specific reference. Regulations under the Executive Order may require Seller to develop an Affirmative Action Compliance Program and file an Employee Information Report EEO-10. (See 41 CFR 60.)

This document and said Trading Rules contain the entire agreement between the parties hereto.

This contract shall be construed under the laws of the State of _____.

IN WITNESS WHEREOF, the respective parties have signed these presents at _____
_____.

Buyer _____
By _____
Title _____

Seller _____
By _____
Title _____

(This contract must be signed in duplicate by an officer of each company, showing official title, or by someone duly authorized to sign contracts for both Buyer and Seller.)

Original to be signed and returned to Seller.

Duplicate for Buyer.

Section 3. GOVERNMENTAL REGULATIONS

Each sale is subject to all Federal and state laws as well as all ordinances, rules and regulations, orders or decrees passed or created by any lawful authority having jurisdiction over the parties and subject matter of the sale.

RULE 102—GRADE, QUALITY, SETTLEMENTS OF CRUDE SOYBEAN OIL AND REFEREE CHEMISTS

Section 1. STANDARD OF QUALITY

The Standard of Quality shall be the designated type of pure soybean oil of fair average quality based on the season's production, which must conform to standard specifications of the Association, which are herewith made a part of the Trading Rules and which are subject to modification from time to time as conditions may warrant, upon recommendation of the Technical and Research Subcommittee of NOPA's Technical and Research, Environmental, and Safety, Health and Loss Prevention (TESH) Committee.

a. Types of Crude Soybean Oil. Edible crude soybean oil shall be of any of the following designated types:

- i. Expeller pressed
- ii. Expeller pressed degummed*
- iii. Solvent extracted (state solvent used)
- iv. Solvent extracted degummed (state solvent used)*
- v. Mixtures of any of the above types (in which case Seller shall specify that analysis shall be made corresponding to one of the specific types) (state solvent used)

* Explanatory Definition. Degummed soybean oil shall be the product resulting from removal of phosphatides from crude soybean oil, and shall contain not more than 0.02% of phosphorus determined by American Oil Chemists' Society (AOCS) Official Method Ca 12-55.

- b. Grade & Quality. Crude soybean oil sold under this Rule shall be any of the above-designated types and shall conform to the following specifications:
 - i. Not more than 0.5% moisture and volatile matter
 - ii. A refined and bleached color not darker than 6.0 red
 - iii. A neutral oil loss not exceeding 7.5%
 - iv. Not more than 1.5% unsaponifiable matter (exclusive of moisture and insoluble impurities)
 - v. A flashpoint not lower than 250° F

Crude soybean oil not meeting the above specifications is rejectable, and shall be sold on sample only.

Section 2. METHODS OF ANALYSIS

The grade and quality of crude soybean oil shall be determined using methods approved by the American Oil Chemists' Society, as specified herein and in appendices A and B. The methods used shall be those in effect as of the date of the contract.

Section 3. SETTLEMENTS FOR CRUDE SOYBEAN OIL

- a. OFFICIAL SAMPLE: The Official Sample shall be three (3) one-quart samples. These portions should be packaged in clean, dry and new containers. Either tinned metal containers or high density polyethylene bottles fitted with metal caps having oil resistant cap liners are acceptable. Polyethylene containers must be enclosed for shipping in custom-made, close fitting cardboard containers. The sample must be drawn at the time of loading by a qualified sampler in accordance with the AOCS Official Methods for sampling crude oils (C 1-47), and shall be so indicated on invoice. If the Seller neglects to provide such a sample at the time of loading, or fails to show on invoice that an Official Sample has been taken, a sample drawn at destination shall be official when taken in accordance with the AOCS Official Methods as noted above. Seller shall forward to Consignee one of the one-quart portions at no expense to Consignee within one (1) business day (defined for the purpose of these Rules as any day that the Chicago Board of Trade is scheduled to be open for the trading of agriculture) of completion of loading, and label of sample must designate type of oil and plant destination. The second quart is the Seller sample, and the third quart is to be retained by Seller as the referee sample.

The following label has been approved:

OFFICIAL LOADING SAMPLE

Crude Soybean Oil _____ Type _____
(Solvent Extracted (state solvent used), Expeller Pressed,
Solvent Extracted Degummed (state solvent used), etc.)

Seller _____
(Firm's name)

Plant Location _____
Loaded _____ 20 ____ Shipped _____ 20 ____
(Tank car No. or tank truck No.)

To _____
(Name of buyer firm)

Plant located at _____

b. BASIS FOR HANDLING ADJUSTMENTS FOR LOSS AND COLOR IN CRUDE SOYBEAN OIL:

The basis for handling Loss and Color adjustment in crude soybean oil shall be determined in the following manner by mutual agreement between Seller and Consignee and, when so determined, shall apply to settlements with all intervening buyers, if any.

- i. The Consignee shall inform the Seller of Consignee's analysis within ten (10) business days after receipt of official sample by the Consignee. The Seller shall have three (3) business days after receipt of Consignee's analysis to reject this analysis.

If the difference between the Seller's and Consignee's Loss analyses is not over three-tenths of one percent, the settlement will be made on the average of Seller's and Consignee's analyses both with respect to Loss and also refined and bleached (R.B.) Color.

If the difference between Consignee's and Seller's Loss analyses is greater than three-tenths of one percent, then the third portion of the Official Sample may be sent to an Official Referee Chemist not previously concerned, and settlement shall be based on the Official Referee Chemist's analysis. In the event that the analysis is refereed for Loss and Color, and is decided against the Seller on one count and against the Consignee on the other, or the referee's results are the mean of the Seller's and Consignee's analyses, then the referee's fee shall be shared equally; otherwise, the fee for this work shall be charged to the account of the party against whom the decision results.

- ii. In the event that the Consignee does not furnish the Seller with analytical determination of Loss on the Consignee's portion of the Official Sample within thirty (30) calendar days after the shipment of each unit, as determined by the date of the Bill of Lading for that unit, then settlement for that unit will be made on the basis of the analysis of the Seller's portion of the Official Sample only.

In the event that the Seller does not report Seller's analytical determination of the Official Sample within thirty (30) calendar days after shipment of each unit, as determined by the date of the Bill of Lading for that unit, then settlement for that unit will be on the basis of the Consignee's portion of the Official Sample only.

- c. ADJUSTMENTS FOR LOSS: Seller shall pay Consignee for Loss at the rate of 1.0% of the contract price for each 1.0% Loss above 5.0%, calculated on the official net weight of crude. Where the crude oil delivered analyzes with a Loss under 5.0%, the Consignee will credit the Seller at the rate of 1.0% of the contract price for each 1.0% under 5.0% up to a maximum credit of 4.5% of the contract price, calculated on the official net weight of the crude. Loss is to be figured fractionally throughout.

If the Seller does not intend to have an analytical determination made on Seller's portion of the Official Sample, this fact must be shown on the invoice, and in such event, the Consignee's analytical determination shall govern settlement.

- d. REFINED BLEACHED (R.B.) COLOR ADJUSTMENT FOR PRIME CRUDE SOYBEAN OIL (LIGHTER IN COLOR THAN STANDARD A. SEE APPENDIX B): The R.B. Color shall be determined by AOCS Official Methods Cc 8e-63 and Cc 8b-52, and the following discount schedule shall apply:

AOCS		AOCS		AOCS	
R.B. Color	% Discount	R.B. Color	% Discount	R.B. Color	% Discount
3.5 red	Prime	4.4 red	0.45	5.3 red	0.90
3.6	0.05	4.5	0.50	5.4	0.95
3.7	0.10	4.6	0.55	5.5	1.00
3.8	0.15	4.7	0.60	5.6	1.10
3.9	0.20	4.8	0.65	5.7	1.20
4.0	0.25	4.9	0.70	5.8	1.30
		5.0	0.75	5.9	1.40
4.1	0.30			6.0	1.50
4.2	0.35	5.1	0.80		
4.3	0.40	5.2	0.85		

NOTE: Discounts to be based on F.O.B. mill price (Crude Basis)

- e. REFINED BLEACHED (R.B.) COLOR ADJUSTMENT FOR NO. 2 GRADE CRUDE SOYBEAN OIL (EQUAL TO OR DARKER THAN STANDARD A BUT LIGHTER THAN STANDARD B): The R.B. Color shall be determined by AOCS Official Methods Cc 8e-63 and Cc 8b-52, and the following discount schedule shall apply:

R.B. Color	% Discount	R.B. Color	% Discount	R.B. Color	% Discount
		3.0 red	1.30	4.0 red	2.45
		3.1	1.40	4.1	2.55
		3.2	1.55	4.2	2.65
		3.3	1.70	4.3	2.75
		3.4	1.85	4.4	2.80
		3.5	2.00	4.5	2.90
		3.6	2.10	4.6	3.00
		3.7	2.20	4.7	3.10
2.8 or less	1.00	3.8	2.30	4.8	3.20
2.9	1.15	3.9	2.35	4.9	3.25
				5.0	3.30

NOTE: Discounts to be based on F.O.B. mill price (Crude Basis)

- f. **ADJUSTMENT FOR SETTLINGS:** Settlings or sludge shall be considered the solid residue which cannot be drained, pumped, or squeegeed from the car. Settlings claims may be filed only on tank cars that are unloaded within five (5) calendar days after arrival of tank car at Buyer's destination.

If settlings are found when the tank car is being unloaded, the Seller shall be notified by telephone, electronic mail with acknowledgement of receipt requested, or telefax, and Seller shall have the right to inspect the car, if Seller so informs Consignee within twenty-four (24) hours of receiving such notification.

For 25,500-gallon tank cars a tolerance of 478 pounds of settlings will be allowed. If a car contains more than 478 pounds, an allowance will be made for the total amount of sludge up to 3,187 pounds at 50% of the contract price. Settlings in excess of 3,187 pounds will be allowed at the contract price. For 28,000-gallon tank cars a tolerance of 525 pounds of settlings will be allowed. If a car contains more than 525 pounds, an allowance will be made for the total amount of sludge up to 3,500 pounds at 50% of the contract price.

Settlings present in excess of 3,500 pounds will be allowed at the contract price. Settlings claims shall be filed as soon as possible. If Consignee does not define Consignee's settlings less claims with supporting documents to the Seller within sixty (60) calendar days after shipment of each unit, the settlement claim for settlings shall be null and void.

The claim for the amount of settlings shall not exceed the difference between the invoiced weight, if official, and the weight of oil unloaded at destination. Consignee must substantiate Consignee's claim for settlings with an official weight certificate showing the gross weight of the car, and either (a) the tare weight of the unloaded car, both before and after removal of settlings from the car; or, (b) the net weight of the settlings which have been removed from the car into containers.

Loss settlements under paragraphs b and c on cars containing settlings shall be based on the official net weight and not on the official net weight less a deduction for settlings.

- g. **ADJUSTMENT FOR MOISTURE AND VOLATILE MATTER:** A deduction for moisture and volatile matter in crude oils in excess of 0.30% will be allowed at the contract price.
- h. **REJECTION PROCEDURE:** If Consignee and Seller cannot agree on a proper allowance on oil that is rejectable under Rule 102, Section 1, Paragraph b, the rejection and replacement procedure shall be as follows: Rejection is to be communicated by telephone, electronic mail with acknowledgement of receipt requested, or telefax within 72 hours after delivery of the oil to Consignee's plant. Seller shall tender replacement shipment within 24 hours after receiving Consignee's communication. Actual shipment must follow within 48 hours of receipt of Consignee's communication, or as soon as Consignee's tank cars arrive for loading at Seller's plant.
- i. **OFFICIAL REFEREE CHEMISTS FOR OIL:** Only those chemists which are certified to NOPA by AOCS shall be considered Official Referee Chemists for Oil and listed in Appendix E to these Rules.

**RULE 103—DEFINITIONS OF GRADES AND QUALITY OF
SOYBEAN OIL USED FOR SPECIFIC PURPOSES**

Section 1. INDIVIDUAL SPECIFICATIONS

Sale of crude and special grades of soybean oil on the basis of processor’s individual specifications are subject to all Trading Rules of the Association except as to quality settlement and sampling procedure as specified by Rule 102. The quality specifications and sampling procedure are to be determined by agreement between Buyer and Seller.

Section 2. RESPONSIBILITY FOR ADAPTABILITY

Seller shall not be responsible for adaptability of goods for any specific purpose, unless specifically provided in the contract.

Section 3. DEFINITIONS OF GRADE AND QUALITY OF EXPORT OILS

ALL QUALITY DETERMINATIONS SHALL BE MADE FROM A COMPOSITE SAMPLE OF THE SHIPMENT.

a. Crude Degummed Soybean Oil

Analytical Requirements	Maximum	Minimum	AOCS Method
Unsaponifiable Matter	1.5%		Ca 6a-40
Free Fatty Acids, as Oleic	0.75% ⁱ		Ca 5a-40
Moisture and Volatile Matter and Insoluble Impurities	0.30%M&V		Ca 2c-25 Ca 3a-46
Flashpoint		250° F	Cc 9c-95
Phosphorus	0.02% ⁱⁱ		Ca 12-55

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by Association of Official Analytical Chemists (AOAC) Method No. 974.20 and shall be negative.

Deviations:

Only the following are allowable with the discounts to apply as shown:

i. Free fatty acids	0.76% —	0.85% —	0.2% of contract price
	0.86% —	0.95% —	0.4% of contract price
	0.96% —	1.05% —	0.6% of contract price
	1.06% —	1.15% —	0.9% of contract price
	1.16% —	1.25% —	1.2% of contract price

ii. Phosphorus

Shipment up to 0.025% permitted with the following discounts for excess over 0.020%:

0.021% of—	0.2% of contract value
0.022% of—	0.4% of contract value
0.023% of—	0.6% of contract value
0.024% of—	0.9% of contract value
0.025% of—	1.2% of contract value

Physical Requirements:

Crude Degummed Soybean Oil sold for export shall be pure soybean oil. It shall be produced from fair average quality crude soybean oil from which the major portion of the gums naturally present has been removed by hydration and mechanical or physical separation. It shall be equal in quality to soybean oil produced for domestic consumption.

b. Once Refined Soybean Oil

Analytical Requirements:

Clear and brilliant in appearance at 70°-85° F

Free from settlings at 70°-85° F

Shall contain not more than 0.10% moisture and volatile matter using AOCS Official Method Ca 2c-25.

Shipment up to 0.15% allowed with following discount to be applied over 0.10%:

0.11% of—0.3% of contract price

0.12% of—0.6% of contract price

0.13% of—0.9% of contract price

0.14% of—1.2% of contract price

0.15% of—1.5% of contract price

Free Fatty Acids shall not be in excess of 0.10%. Shipment up to 0.15% allowed with following discount to be applied over 0.10%:

0.11% of—0.2% of contract price

0.12% of—0.4% of contract price

0.13% of—0.6% of contract price

0.14% of—0.9% of contract price

0.15% of—1.2% of contract price

Color, when bleached according to AOCS Method Cc 8e-63 shall not be darker than 3.5 red and shall not have a predominantly green color.

Flashpoint shall not be below 250° F, as determined by AOCS Method Cc 9c-95.

The unsaponifiable content shall not exceed 1.5% when determined according to AOCS Method Ca 6a-40.

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by AOAC Method No. 974.20, and shall be negative.

Physical Requirements:

Once Refined Soybean Oil sold for export shall be pure soybean oil. It shall be produced from fair average quality crude soybean oil from which essentially all of the free fatty acids and non-oil substances have been removed by refining treatments.

c. Fully Refined Soybean Oil

Fully Refined Soybean Oil sold for export shall be pure soybean oil. It shall be produced from fair average quality crude soybean oil from which essentially all of the free fatty acids and non-oil substances have been removed by refining treatments. It shall meet the following specifications:

Analytical Requirements:

- i. Flavor shall be bland.
- ii. Color (Lovibond) Maximum 20Y/2.0R using AOCS Method Cc 13b-45
- iii. % FFA (% by wt.) Maximum 0.05 using AOCS Method Ca 5a-40
- iv. Clear and brilliant in appearance at 70-85° F
- v. Cold Test—Minimum 5-1/2 hrs. using AOCS Method Cc 11-53
- vi. Shall contain not more than 0.10% moisture and volatile matter using AOCS Method Ca 2c-25.
- vii. The unsaponifiable content shall not exceed 1.5% when determined according to AOCS Method Ca 6a-40.
- viii. The peroxide value Meq/Kg shall not exceed 2.0 when determined by AOCS Method Cd 8b-90.
- ix. Stability—AOM, Minimum is 8 hrs. 35 Meq/Kg when using AOCS Method Cd 12b-92.
- x. Preservatives (GRAS) are permitted.

Chemical analysis shall be made in accordance with the methods from “Official Methods and Recommended Practices of the AOCS, Chapter: Commercial Fats and Oils, Section C.”

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by AOAC Method No. 974.20, and shall be negative.

Physical Requirements:

- i. The oil shall be clear and brilliant in appearance at 70°-85° F.
- ii. The oil shall be free from settlings or foreign matter of any kind.
- iii. The oil shall have a clean, fresh flavor and shall be free from rancid, beany, painty, sour, or other objectionable flavors or odors, as specified in U.S. Department of Agriculture Specification A-A-20091D.

NOTE: The National Oilseed Processors Association has developed standards for inspection, sampling and measuring procedures for bulk shipment and transfers of soybean oil (see Appendix A). These standards may be incorporated in Sales Contracts.

RULE 104—REFINING BYPRODUCT LIPID, ACIDULATED REFINING BYPRODUCT LIPID AND TANK BOTTOMS

Section 1. REFINING BYPRODUCT LIPID

Refining Byproduct Lipid is the by-product that results from the alkali refining of soybean oil. The contract price is based on 50% total fatty acid. Refining Byproduct Lipid containing less than 30% total fatty acid will not be considered merchantable, and may be rejected. Refining Byproduct Lipid must not be adulterated with any other oil or with Refining Byproduct Lipid made therefrom without consent of the purchaser. In case preservatives are added to the Refining Byproduct Lipid, the nature and amount of same must be declared in the contract.

Section 2. ACIDULATED REFINING BYPRODUCT LIPID

Acidulated Refining Byproduct Lipid is the product of the complete acidulation of Refining Byproduct Lipid, as defined in Rule 104, Section 1, thoroughly settled, and contract price is based on total fatty acid content of 95%. If the total fatty acid content falls below 85%, the product is not merchantable Acidulated Refining Byproduct Lipid, and may be rejected. No claim on account of absence of glycerin will be considered unless contract specifies glycerin content. Acidulated Soybean Refining Byproduct Lipid shall have a minimum iodine value of 122.

Section 3. METHODS OF SAMPLING AND ANALYSIS OF REFINING BYPRODUCT LIPID AND ACIDULATED REFINING BYPRODUCT LIPID

The methods of sampling and analysis of Refining Byproduct Lipid and Acidulated Refining Byproduct Lipid are specified in Appendix B.

Section 4. METHODS OF SETTLEMENT ON REFINING BYPRODUCT LIPID AND ACIDULATED REFINING BYPRODUCT LIPID.

The Seller’s analysis shall be given to the Buyer within five (5) calendar days and the Buyer’s analysis given to the Seller within ten (10) calendar days of the receipt of the sample. If the difference between the Buyer’s and Seller’s analyses is less than one percent in total fatty acid content, the two shall be averaged for use in settlement. If the difference is more than one percent, the Seller shall forward the third sample to the Official Chemist. The mean of the Official Chemist’s analysis and that of the Buyer and Seller nearest thereto shall be used for final settlement.

Section 5. TANK BOTTOMS

Tank Bottoms will be sold on sample only.

RULE 105—QUANTITY

Section 1. UNIT OF WEIGHT

Soybean oil shall be sold on a net weight basis in pounds. The unit weight is the avoirdupois pound (16 ounces).

Section 2. UNIT OF SALE

The unit of sale may, by mutual agreement between Buyer and Seller at time of sale, be the tank car, tank truck, drum or barrel. If sale is made in containers, the approximate weight of the containers in net pounds shall be specified.

The following container net weights in pounds will be considered as standard unless Buyer and Seller mutually agree on some other figure at time of sale.

20,000-gallon tank car.....	152,500 lbs. approximate *
25,500-gallon tank car.....	185,000 lbs. approximate **
28,000-gallon tank car.....	205,000 lbs. approximate ***
Tank Truck—Size varies.....	State approximate weight
Steel Drum.....	420 lbs. Approximate

- * The 20,000-gallon tank car with a capacity of approximately 152,500 pounds shall have a tolerance of 2,250 pounds allowed, making 150,250 pounds the lower limit and 154,750 pounds the upper limit.
- ** The 25,500-gallon tank car with a capacity of approximately 185,000 pounds shall have a tolerance of 2,709 pounds allowed, making 182,291 pounds the lower limit and 187,709 pounds the upper limit.
- *** The 28,000-gallon tank car with a capacity of approximately 205,000 pounds shall have a tolerance of 3,025 pounds allowed, making 201,975 pounds the lower limit and 208,025 pounds the upper limit.

a. 20,000-Gallon Tank Car

Shipments exceeding 154,750 pounds and up to 155,000 pounds will constitute good delivery, but excess of entire amount over 154,750 pounds shall be billed at the market at time of shipment.

Deliveries less than 150,000 pounds will not constitute good delivery unless Buyer has agreed to it. The Buyer may at Buyer's option bill the Seller for the amount less than 150,250 pounds at the difference between contract price and the market price at time of shipment, as determined by official weights.

If the Buyer furnishes a tank car of insufficient capacity, the Seller may either reject the tank car as being inadequate for loading, or may accept and load the tank car, and settle for the difference in weights between 154,750 pounds and the actual loaded weight at the difference between the contract price and the market price at time of shipment.

b. 25,500-Gallon Tank Car

Shipments exceeding 185,000 pounds and up to 188,289 pounds will constitute good delivery, but excess of entire amount over 185,000 pounds shall be billed at the market price at time of shipment.

Deliveries less than 180,000 pounds will not constitute good delivery unless Buyer has agreed to it. The Buyer may at Buyer's option bill the Seller for the amount less than 180,000 pounds at the difference between contract price and the market price at time of shipment, as determined by official weights.

c. 28,000-Gallon Tank Car

Shipments exceeding 205,000 pounds and up to 208,025 pounds will constitute good delivery, but excess of entire amount over 205,000 pounds shall be billed at the market price at time of shipment.

Deliveries less than 201,975 pounds will not constitute good delivery unless the Buyer has agreed to it. The Buyer may at Buyer's option bill the Seller for the amount less than 201,975 pounds at the difference between contract price and the market price at time of shipment, as determined by official weights.

d. Barges

In the absence of a clearly stipulated applicable tolerance in the statement of the quantity traded, it shall be understood that 2% more or 2% less than the quantity shall apply at contract price. A total tolerance of 5% more or less than the quantity shall be permissible in the fulfillment of the contract. But if the

quantity delivered is in excess of 2% more or less, the excess or underage above 2% up to and including 5% shall be settled basis the market closing price on the first business day following the discharge.

Should the quantity shipped differ in excess of 5% more or 5% less from the contract quantity, Seller shall tender such barges to Buyer within two (2) business days of Bill of Lading date. Excess or underfill of greater than 5% will be settled between Buyer and Seller within three (3) business days of Bill of Lading date.

e. Free Time

Buyer shall be allowed 36 hours free time after arrival of barges at destination. Thereafter, demurrage shall be charged to Buyer per running hour, at the prevailing rate, Saturdays, Sundays, and legal holidays included.

Free time shall be counted from the time the barge line, or its representative, gives notice of Buyer, or Buyer's representative, that the barge is ready for delivery.

Section 3. CONTRACT DELIVERY

Contracts shall be completed by delivering the approximate number of pounds in such containers as Buyer shall specify at time of shipment. Unless Buyer arranges with Seller in advance of last shipment on contract to purchase an additional quantity to fill out a carload, the overage necessitated by car capacity will be invoiced at the market price on date last car is shipped.

The Seller shall not be compelled to ship in Buyer's tank trucks more than the contract quantity. It shall be the Seller's option whether to ship excess oil over the contract quantity to fill to capacity a Buyer's final tank truck or to reject the tank truck. If excess oil is shipped, it shall be invoiced at the market price on the date of shipment. Buyer shall be liable for excess freight on capacity weight of tank truck in the event Buyer instructs Seller to load final tank truck light.

Section 4. LIGHT WEIGHT SHIPMENTS

If tank cars, tank trucks or carloads of containers are not loaded to capacity as required by railroad or trucking regulations, the Seller shall be liable for excess freight on capacity weight, unless Seller shall have first obtained Buyer's permission to ship tank cars or tank trucks light weight.

Section 5. TOLERANCE

When tank trucks are used for all or any portion of contract quantity not shipped by tank cars, a tolerance of 1% of contracted weights, based on 185,000-pound tank car units exactly, shall constitute good delivery. However, overage or underage of exact total tank truck weights shipped, as determined by official weights, shall be settled at the difference between the contract price and the market price on date of last shipment.

RULE 106—CHANGES AND TAXES

Section 1. CHANGE IN CONTAINER TYPE

In the event that delivery is taken in a different container than specified in contract, the Seller's container differentials prevailing on date of change of specifications shall apply in determining the invoice price of a specific delivery against contract.

Section 2. CHANGE IN OIL TYPE

In the event that Buyer takes delivery of refined oils against a contract written on a “crude basis,” the Seller’s differentials on refined oils prevailing on date of change of specifications shall apply in determining the invoice price of a specific delivery against contract.

Section 3. CHANGING UNIT DELIVERY

In the event that contract is drawn on a carload basis for direct shipment from plant, and Buyer elects to take delivery in L.C.L. quantities, the Seller’s L.C.L. or warehouse differential over carload on date of specifications shall apply in determining the invoice price of a specific delivery against contract. Any additional transportation costs are for the account of Buyer.

Section 4. CHANGE IN DELIVERY POINT

If Buyer requests shipment to other points than the delivery point specified in contract, any increase or decrease in Seller’s cost is for the account of Buyer.

Section 5. TAXES

Any taxes now or hereafter imposed by the United States (U.S.) Government or by any taxing body upon the manufacture, sale, transportation, or use of soybean oil are for the account of Buyer.

RULE 107—TERMS

Section 1. PAYMENT AND SETTLEMENT

Unless otherwise specified at time of sale, terms of payment on soybean oil are to be net cash—sight draft, Bill of Lading attached. All settlement adjustments are due immediately upon agreement on basis of settlement between final Buyer and original Seller.

Section 2. DISCRETION

Seller reserves the right to restrict the terms of payment, if, in Seller’s judgment, the financial responsibility of the Buyer does not warrant shipment on terms originally stated in contract.

Section 3. DEFAULT IN PAYMENT

Failure to accept delivery of or pay for a specified quantity of soybean oil covered by contract shall at Seller’s option release Seller from making further deliveries. In case of default in payment when due, the whole sum owed by Buyer shall become due at once.

Section 4. MULTIPLE BILLING AND/OR COMPOSITE SAMPLING

Multiple billing and invoicing of tank cars or tank trucks, composite sampling, or both, shall be determined by mutual agreement between Seller and Consignee and, when so determined, shall apply to settlements with all intervening buyers, if any.

RULE 108—TIME OF SHIPMENT

Section 1. SHIPPING TERMS

Unless the Buyer and Seller agree on an exact shipping date at time of sale, shipments or forwardings for nearby positions shall be interpreted as follows: in the case of shipments, starting from the date shipping instructions are received by Seller; in the case of forwardings, starting from the date of the trade:

Quick shipment, or forwarding	Within two (2) business days
Immediate shipment, or forwarding	Within five (5) business days
Prompt shipment, or forwarding	Within ten (10) business days
Scattered shipment, or forwarding	Spread uniformly over contract period

Section 2. CONTRACT DELIVERY PERIOD

On contracts covering specific quantities for shipment during a specified period, shipment is to be made during the month, or months, specified in the contract. However, if the last day of contract period occurs on Saturday, Sunday, or legal holiday, the Seller shall not be deemed in default under these Trading Rules by reason thereof, if the original Bill of Lading at the point of origin is dated the next business day.

Section 3. DATE OF SHIPMENT

The date of the Bill of Lading shall be considered as the date of shipment, or forwarding.

RULE 108A—PERFORMANCE OF CONTRACT AT TIME OF SHIPMENT

Section 1. DELIVERY INSTRUCTIONS

The Buyer shall furnish instructions for shipment, as well as tank cars (in the event Buyer's tank cars are specified), to Seller in ample time to enable Seller to execute order within the period or periods specified in the contract. The Seller shall furnish the Buyer loading schedule and point of shipment in ample time to enable Buyer to have Buyer's tank cars at shipping point within period or periods specified in the contract. Under no circumstances shall the Seller be either expected or required to make physical tender of all or any part of the oil covered by any specific contract for any specified delivery unless Buyer has first furnished written instructions or furnished tank cars for shipment as provided herein. Failure of the Buyer to supply written shipping instructions shall not relieve Seller of the responsibility of performance under the contract unless Buyer fails to supply these shipping instructions within three (3) business days after Seller's electronic mail with acknowledgment of receipt requested or telefax request for shipping instructions.

Section 2. FAILURE TO PERFORM ON CONTRACTS COVERING CRUDE AND REFINED OIL

On all contracts for either crude or refined oil covering specific quantities for shipment during a specified period, shipment must be made during the specified time. If the Buyer fails to provide shipping instructions, or if the Seller is unable to ship within the period specified, an additional thirty (30)-calendar day shipping period may be allowed by agreement of the parties, with the following penalties added to or subtracted from the contract price, depending on which party is in default:

If the Buyer is in default: The Seller shall assess the Buyer a 1/4-cent per pound charge and the defaulted contract period shall be extended for an additional thirty (30) calendar days.

If the Seller is in default: The Buyer shall assess the Seller a 1/4-cent per pound charge and the defaulted contract period shall be extended for an additional thirty (30) calendar days.

If neither party has agreed on additional time:

If the Buyer is in default: The Seller has the right (within five (5) calendar days after giving written notice) to sell the oil in the open market for the Buyer's account. Any market loss or gain will be for the Buyer's account.

If the Seller is in default: The Buyer has the right (within five (5) calendar days after giving written notice) to buy the oil in the open market for the Seller's account. Any market loss or gain will be for the Seller's account.

Failure by Buyer or Seller on any installment of a multi-period contract shall not be a breach of the entire contract.

Section 3. RIGHT OF CANCELLATION

After expiration of contract period, the Buyer may not refuse to accept delivery of oil after shipment has been made unless Buyer has previously notified the Seller of Buyer's intention to cancel contract if shipment has not been made by a particular business day subsequent to the date of Buyer's notification.

RULE 108B—DOCUMENTATION REQUIREMENTS FOR DELIVERED BARGE SHIPMENTS

Section 1. On all delivered barge shipments, Seller shall provide to Buyer prior to constructive placement of the barge at destination the following documentation: (a) Endorsed order Bill of Lading; (b) Seller's origin weight certificate; (c) Seller's barge cleanliness report; and, (d) Seller's origin quality analysis.

Section 2. Seller shall be responsible for any demurrage charged by the barge carrier due to Seller's failure to provide to Buyer any of the above documents prior to constructive placement of the barge at destination.

RULE 109—WEIGHTS

Section 1. OFFICIAL WEIGHTS

Seller's official weights are to govern settlement. Seller shall furnish certified copy of official weights at point of origin on shipments in tank cars and tank trucks. If Seller cannot furnish official weights at point of origin on net contents of tank cars and tank trucks either by means of inside tank scales, track scales, truck scales or flow meters (gross, tare and net, if track or truck scale weights), Buyer shall have the right to have official weights taken at point of destination, which weights shall govern.

In no case shall railroad or marked tare weighing be considered as official weights. Cost of obtaining official weights shall be for the account of Seller.

Weights shall be considered official when weighing is done by a State Weighmaster, Board of Trade, Chamber of Commerce, or other recognized public or sworn weighmaster approved or licensed by the supervising organization or by the National Oilseed Processors Association. The National Oilseed Processors Association has the authority to withdraw approval of official weighing licenses if, upon investigation, it finds that the official weights being supplied, as provided above, are unreliable due to either faulty equipment or faulty use of the equipment.

Section 2. OFFICIAL WEIGHT CERTIFICATION

In order to be approved for official NOPA weighing status or to issue official NOPA Weight Certificates, Seller of soybean oil must comply with the following:

- a. By June 30 and December 31 of each year Seller must furnish a Semi-Annual Scale Report or Flow Meter Report (see Appendix D for sample form) to NOPA's Washington, D.C. Office, indicating type, capacity, and length of the scales or type, manufacturer and model of the flow meter being used for measuring soybean oil shipments.
- b. Attached to this semi-annual report must be a copy of an inspection issued by a qualified independent inspector within the six (6) months prior to each semi-annual reporting date. If any approved device is out-of-tolerance, NOPA will immediately withdraw official weight status. Tolerance under this Rule is defined as meeting the requirements of the National Institute of Standards and Technology Handbook 44 specifications, tolerances, and other technical requirements for weighing and measuring devices, and the legal licensing authority for such devices.
- c. Weighmaster oath forms must be submitted annually by September 30 of each year to NOPA's Washington, D.C. Office. (See Appendix C for sample form.)

Section 3. WEIGHT CLAIMS

Whenever a sale is made F.O.B. Buyer's destination, no allowance for shortage or damage will be made by Seller unless Buyer furnishes complete evidence, including railroad inspection report, so as to enable Seller to present complete claim to the carrier. Weight claims are to be filed as soon as possible, but not later than ten (10) business days from tank car unloading date.

Section 4. VARIATION IN SHIPPING AND DESTINATION WEIGHTS

If the gross weight obtained at destination indicates a discrepancy in the official weights as supplied by the Seller, and inspection shows no indication of leakage in transit, then either party shall have the right to have the tank car reweighed in the presence of representatives of both Buyer and Seller, and the weights so determined shall be used for settlement. Scales to be used for reweighing must be in good working order as supported by certificate of recent examination by authorized examiner. If such certificate is not available, the scale must be tested in the presence of a representative of Buyer and Seller before the car is reweighed. Cost of such weighing shall be for party requesting destination weights, unless the weights taken at destination indicate a discrepancy in excess of 1% of the original invoice weight, in which case the fee for this work shall be charged to the account of the party against whom the decision results. The Buyer shall report the discrepancy to the Seller within two (2) business days from date of receipt of car at Buyer's plant, and the Seller shall have two (2) business days after receipt of electronic mail with acknowledgment of receipt requested or telefax in which to advise the Buyer what action Seller elects to take. If Seller elects to witness weighing of car, three (3) additional business days will be allowed for such action. In the absence of instructions from Seller, Buyer may proceed with obtaining official destination weights on the tank car, taken in the presence of a disinterested party; destination weights will then govern settlement.

Section 5. COMPLIANCE WITH SECTION 4

So that Consignee can comply with Section 4, the Seller shall immediately, after loading or weighing tank cars, forward a copy of the weight certificate, Bill of Lading, or invoice to Consignee's receiving plant.

RULE 110—FREIGHT RATES

Section 1. RATE CHANGES

Unless otherwise stipulated at time of sale, delivered prices specified in contract are based on freight rates in effect on date of shipment, and any increase or decrease in freight rates is for account of Buyer.

Section 2. BARGES

In the case of barges sold to specific destinations, the contract price shall not be affected by any subsequent increase or decrease in the freight rate or fuel surcharge.

RULE 111—ROUTING

Section 1. BUYER'S TANK CARS

When Buyer furnishes tank cars, Buyer shall have the right to specify routing, providing such routing does not involve additional freight expense to the Seller over the lowest rate.

Section 2. SELLER'S TANK CARS

When Seller furnishes tank cars, Seller shall have the right to specify routing, with the exception of the delivering carrier, which shall be at the option of the Buyer.

Section 3. DRUM OR BARREL SHIPMENTS

On shipment of drums or barrels, Seller shall have the right to specify routing, with exception of delivering carrier, which shall be at the option of the Buyer.

RULE 112—TANK CARS AND/OR TANK TRUCKS

Section 1. BUYER'S OR SELLER'S TANK CARS

At time of sale it shall be specified whether Buyer's or Seller's tank cars are to be used. If nothing is specified, then it is understood Buyer's tank cars are to be used.

Section 2. TANK CAR APPLIANCES

All tank cars furnished either by the Seller or the Buyer must be provided with steam coils and the necessary appliances for their ready loading and unloading in all kinds of weather.

Section 3. INSPECTION OF TANK CARS AND TANK TRUCKS

All tank cars and tank trucks must be inspected by Seller before loading as to cleanliness, condition of steam coils, cap, dome cover and valve, and must be sealed at the dome and the outlet valve when so equipped before being shipped. In the case of tank cars and tank trucks furnished by Seller, Buyer shall maintain empty tank cars and tank trucks in a merchantable status suitable to the trade and seal said tank cars and tank trucks at the dome and the outlet valve when so equipped, before returning them to Seller. If the Seller or Buyer is found negligent of their duties due to either improper sealing, improper recording of seal numbers, or both, then that party will be held responsible for all costs, damages and consequences incurred to bring the tank car(s) or tank truck(s) back to a merchantable status suitable to the trade.

Seller shall inspect Buyer's tank cars or tank trucks before loading and, if found unsatisfactory, notify Buyer by electronic mail with acknowledgment of receipt requested or telefax. In the event that tank trucks cannot be effectively inspected, they shall not be loaded until Buyer has been notified by electronic mail with acknowledgment of receipt requested or telefax, and Buyer specifically authorizes such loading. Buyer shall have the option of replacing the tank cars or tank trucks. In case of tank cars or tank trucks which can be effectively inspected, Buyer may request Seller to clean the tank cars or tank trucks at Buyer's expense, or Buyer shall accept responsibility for the condition of the oil. Any necessary cleaning and repairing shall be performed at the expense of the Buyer on the basis of actual cost. Failure by Seller to observe the foregoing shall constitute negligence on Seller's part, and shall relieve Buyer of responsibility for any and all loss or damage resulting therefrom.

If a Seller's loaded tank car or tank truck is delivered to Buyer in a faulty condition, immediate request must be made by Buyer for inspection by Seller. Seller shall thereupon either make such inspection or arrange with Buyer to correct such faulty condition, the Seller being liable only to the extent of the expense incurred in correcting it.

Section 4. RECONSIGNMENT

Buyer and Seller shall not divert or reassign tank cars without mutual consent. Any expense incidental to reassignment or diversion is for the account of the party responsible.

Section 5. UNLOADING TIME

Buyer agrees to empty Seller's tank cars promptly upon arrival and to return same empty as per Seller's instructions. Forty-eight (48) hours free time will be allowed for unloading, unless railroad rules permit longer periods at specific export points under export Bill of Lading. Standard railroad straight demurrage regulations will define when penalty charge for car detention starts. Charges thereafter will be at seventy-five dollars (\$75.00) per calendar day. Average agreement demurrage rules shall not apply. These penalties are independent of any demurrage due the railroad by the Buyer. In the absence of instructions for return routing, Buyer shall electronically mail with acknowledgment of receipt requested or telefax Seller for same and, in case of delayed answer, demurrage and delay shall be for Seller's account. Buyer cannot be held responsible for failure of carrier to set cars as ordered.

Seller agrees to load Buyer's tank cars promptly upon arrival, provided cars have not been received at Seller's plant prior to scheduled loading dates. Forty-eight (48) hours free time will be allowed for loading after scheduled loading dates. Seventy-five dollars (\$75.00) per calendar day shall be paid by Seller to Buyer as penalty for delay in loading tank cars. This penalty is independent of any demurrage due the railroad by the Seller. Seller cannot be held responsible for failure of carrier to set cars as ordered.

RULE 113—COMMISSION OR BROKERAGE

Unless otherwise specifically agreed at the time of sale, the Seller shall pay selling commission or brokerage to agent or broker consummating sale.

The selling commission is understood to have been earned when Seller accepts contract of sale, even though actual delivery may never be made. Commission will not be earned or paid when shipment is prevented by an act of the U.S. Government. Commission or brokerage shall not be considered due until delivery has been made, or contract otherwise disposed of.

RULE 114—ARBITRATION

All controversies arising out of contracts made under these Trading Rules or the Breach thereof, unless amicably adjusted otherwise, shall be settled by final and binding arbitration in accordance with the rules, then obtaining, of the American Arbitration Association (AAA),* except to the extent modified herein, and judgment upon the award rendered may be entered in the highest court of the forum, state or Federal, having jurisdiction.

The arbitrators shall be appointed in the following manner: each party to the dispute shall appoint an arbitrator from a list to be prepared by AAA from the National Panel of Arbitrators. The arbitrator appointed by each party must be: (1) actively engaged in the buying or selling of oilseed products and have been so engaged for a minimum of five (5) years; or, (2) retired after at least five (5) years of active engagement in the buying or selling of oilseed products. The party-appointed arbitrators shall select from AAA's list a third arbitrator who meets the above requirement. If the party-appointed arbitrators fail to agree on a third arbitrator, AAA shall appoint a third arbitrator who meets the above requirement.

Arbitration proceedings may be consolidated at the discretion of the arbitrator or arbitration panel where such consolidation would tend to avoid unnecessary costs or delay or would assist in achieving a fair result.

* For information regarding the services of the American Arbitration Association and a listing of its offices, contact AAA at: 335 Madison Avenue, Floor 10, New York, N.Y. 10017-4605, Tel.: 212-716-5800, Fax.: 212-716-5905, www.adr.org.

RULE 115—CONTINGENCIES

If, in consequence of any act of God, fire, flood, wind, explosion, war, embargo (where not due to disabled party's act or negligence), civil commotion, sabotage, law, an act of government, or because of labor difficulties, the Seller shall be unable to ship or the Buyer unable to receive, any soybean oil to be shipped under a contract existing between them, and if the disabled party delivers notice to the other of that fact within two (2) calendar days and, further, furnishes proof thereof within five (5) calendar days of receipt of the other's request, provided such request shall be made within a week after receipt of notice of disability, the parties shall have rights and duties as follows:

- a. The disabled party may defer shipments until the disability ceases, but not for more than thirty (30) calendar days next after the disability occurred.
- b. If at the end of the deferred period the parties to the contract have not arrived at an agreement, and a request for arbitration has not been filed by either party, and the disabled party has not delivered notice that the disability has ceased, the party not disabled may cancel the contract, and the difference between the contract price and the market price at the close of business on the day the deferred period terminates shall be paid by the Buyer to the Seller if the market price is lower, and by the Seller to the Buyer if the market price is higher, whether the Seller or Buyer is the disabled party.
- c. If the parties do not agree that the contingency has delayed or will delay the execution of the contract, then the matter shall be arbitrated in accordance with Rule 114 of these Trading Rules by either party filing submission of the matter with the Clerk of the Tribunal of the American Arbitration Association having jurisdiction. If neither party files a submission for the arbitration within sixty (60) calendar days from the date the contingency occurs, both parties shall be barred from recovering damages from the other.

- d. The foregoing rule shall not apply in cases of shipments delivered to a carrier prior to the receipt of notice of the disabling event.

RULE 116—MISCELLANEOUS

- a. The full rights of Buyer, Seller, or both, under the contract and these Rules shall in no way be affected by omissions, increased privileges, or provisions inconsistent with or at variance with the provisions of these Rules, indicated or expressed in letters of credit against which partial or full payment is to be made.
- b. When the Seller, at the request of the Buyer, performs any services in connection with the contract beyond those required by the terms thereof, Seller shall be deemed to act as the agent of the Buyer in respect to the performance of such services, and Seller's responsibility to the Buyer shall be determined by the usual obligations of an agent to the principal.
- c. Contracts made subject to these Rules will be deemed made in the State of New York. The laws of the State of New York, without reference to the conflict of laws provisions, are to govern interpretation and enforcement of such contracts, and such laws, both case and statutory, are deemed incorporated in and made a part of these Rules as if set forth fully at length.

If, despite the exclusivity of remedy under the arbitration clause, a party seeks recourse in the courts to enforce or resist enforcement of such arbitration clause, such recourse will be sought solely in the state or Federal courts of the State of New York.

- d. Unless Buyer and Seller expressly agree to different terms and conditions at the time of the trade, the "Trading Rules for the Purchase and Sale of Soybean Oil" set forth above shall govern.

RULE 117—AMENDMENTS

Section 1. PROCEDURE

These Trading Rules may be amended by a majority vote of the Board of Directors at any regular or special meeting, or by mail vote, electronic mail vote with acknowledgement of receipt requested, or telefax vote, when authorized by the Board of Directors, providing the Soybean Oil Trading Rules Committee shall have first made such recommendation for amendment, and a copy of such proposed changes submitted to each member of the Association at the time meeting is called, or if by mail vote, electronic mail vote with acknowledgement of receipt requested, or telefax vote, in accordance with Section 2 of Article VIII of the Constitution of this Association.

Section 2. EFFECTIVE DATES

All amendments shall become effective October 1, after publication in the Trading Rules.

SOYBEAN LECITHIN SPECIFICATIONS

	Fluid Unbleached Lecithin	Fluid Bleached Lecithin	Fluid Double- Bleached Lecithin
Grade:	<u>Lecithin</u>	<u>Lecithin</u>	<u>Lecithin</u>
Analysis			
Acetone Insoluble, Min. (%)	62	62	62
Moisture, Max. (%) ¹	1	1	1
Hexane Insoluble, Max. (%)	0.3	0.3	0.3
Acid Value, Max.	32	32	32
Color, Gardner, Max. ²	18	14	12
Viscosity, Centipose, @ 77° F, Max. ³	15,000	15,000	15,000

	Plastic Unbleached Lecithin	Plastic Bleached Lecithin	Plastic Double- Bleached Lecithin
Grade:	<u>Lecithin</u>	<u>Lecithin</u>	<u>Lecithin</u>
Analysis			
Acetone Insoluble, Min. (%)	65	65	65
Moisture, Max. (%) ¹	1	1	1
Hexane Insoluble, Max. (%)	0.3	0.3	0.3
Acid Value, Max.	30	30	30
Color, Gardner, Max. ²	18	14	12
Penetration, Max. ⁴ (mm)	22	22	22

¹ By Karl-Fischer Titration (AOCS Ja 2b-87)

² Undiluted Basis

³ By any appropriate conventional viscosimeter, or by AOCS Bubble Time Method Tq. 1a-64, assuming density to be unity. Fluid lecithin having a viscosity less than 7,500 centipoises may be considered a premium grade.

⁴ Using Precision cone 73525, Penetrometer 73510; sample conditioned 24 hours at 77° F.

APPENDICES TO TRADING RULES FOR THE PURCHASE AND SALE OF SOYBEAN OIL

APPENDIX A. INSPECTION, SAMPLING AND MEASURING PROCEDURES FOR BULK SHIPMENTS AND TRANSFERS OF SOYBEAN OIL

Issued September 1965
Revised September 1966
Adopted August 1970

NATIONAL OILSEED PROCESSORS ASSOCIATION STANDARD

Scope: These procedures are intended to cover domestic shipments of soybean oil in barge or shipload quantities and multiple drum shipments. Procedures for handling tank car or tank truck shipments are covered elsewhere in NOPA's Trading Rules.

I. Inspection

- A. Each compartment or tank which is to receive soybean oil must be inspected to determine its suitability for receiving an edible product and must meet the following requirements:
 - 1. Tank must be completely free of any prior contents, loose scale, rust or oxidized films; corners, ledges, sumps and the area around and under heating coils should be especially noted.
 - 2. A tank or compartment for which the last preceding contents was not soybean oil shall have been cleaned with hot water at a temperature above the melting point of the prior contents using a proper detergent to dissolve or emulsify such residues which are water insoluble and shall have been rinsed adequately to remove all traces of the cleaning compounds.
 - 3. The tank must be completely dry. By arrangement between Buyer and Seller, a suitable coating may be present on the tank surfaces to inhibit rusting.
 - 4. If the tank is to be used for quantity determination it must be inspected for compliance with the requirements of Section III of these procedures.
 - 5. Equipment which has at any time handled materials containing toxic metalo-organic compounds (for example, leaded gasoline or pesticides) or, within the past two (2) years handled other substances generally recognized as toxic, will not be used for storage or transfer of soybean oil. An affidavit by the owner or operator of the equipment must be supplied to ensure compliance with the above.

The above provisions can be waived only in a case where a certificate of safety is supplied by the barge/ship owner or operator certifying freedom from any trace of a previous toxic cargo, prepared by an impartial examiner qualified to make such a determination.

- B. All pipelines, pumps and other equipment to be used in any transfer must be inspected and found to be clean.

- C. Before beginning any transfer or gauging operation, the vessel initially containing the oil should be inspected for any evidence of contamination, leakage or other occurrence (e.g., broken security seals) which might affect the quality or quantity of oil contained therein.
- D. During transfer of oil from one compartment or tank to another, suitable inspections and approximate gaugings should be made to determine that the oil is being transferred as intended and to prevent spills or other losses due to overfilling, leaks, vessel becoming out of trim, or other causes.
- E. When transfer is completed, the originating vessel should be inspected to be sure it is empty. Pipelines and pumps should be blown clear and lines, valves and hatches on the receiving vessel secured. Valves and hatches of the receiving vessel should be sealed by the authority supervising the transfer.
- F. Samples should be taken as directed and according to the methods outlined in this procedure.
- G. Where actual inspection of any terminal facilities is not feasible due to physical layout or other limitations, the inspector may issue a certificate of cleanliness as warranted by a similar statement issued by the terminal. If the inspection is omitted and a certificate is accepted in lieu thereof, said certificate will state the reasons for the inspector's inability to fully inspect all facilities.

II. Sampling

A. General

1. By far the best and most representative samples are those taken when the oil has been thoroughly mixed by pumping or agitation and is thus of uniform composition throughout. Samples must be taken from tanks, barges, etc. immediately after the pumping of oil into them has been completed and before any solids or foreign matter has had time to settle. Where tanks are equipped with mechanical agitators, these must be operated for a minimum of one hour before sampling is begun. Stop the agitation prior to actual sampling.
2. All sampling equipment and containers must be completely clean and dry before use. New sample containers of tinfoil or suitable polyethylene construction should be used exclusively and should be equipped with tight fitting covers or caps. Label the sample container and complete the affidavit certifying official samples as required by NOPA Trading Rules.
3. Care must be taken to protect samples, containers, and equipment from rain or other precipitation to avoid water contamination of the samples.
4. The obtaining of truly representative samples depends to a large extent on the good judgment and experience of the inspector taking the sample. The inspector will be required to make many judgments: whether the oil being sampled is uniform or not, where the sample should be drawn, whether water or solids are present in the oil, etc. Only well-trained, experienced inspectors can make such judgments correctly.

B. Devices for Sampling Storage Tanks and Containers

1. Bomb or Zone Samplers

a. Description

These samplers are of the Bacon Bomb or Curtis and Tompkins Zone Sampler type. These samplers are constructed so that a sample may be taken from any portion of a storage tank. They consist essentially of a sealed cylinder equipped with a tight fitting valve and air bleeder assembly. The valve is opened either automatically upon contact with the tank bottom or by hand at any desired depth in the tank by means of an attached pull cord. The sampler and actuating plunger should be designed to permit taking a sample from within 1/4" or less of the tank bottom. The plunger actuating the valve should be capable of being fitted with extensions so that samples may be taken at fixed increments or one inch from the tank bottom (see "Sampling Procedure" below). Use samplers built to take approximately one-quart samples.

b. Usage Limitations

These bomb-type samplers are the basic piece of sampling equipment and may be used in all applications. The only exception is for small tanks or drums where the openings in the container may be too small to permit entry of the bomb sampler.

2. Core Sampler

a. Description

Core samplers should be constructed to the specifications for the Official Trier of the National Cottonseed Products Association. The Trier consists of a metal tube of two-inch inside diameter throughout. Tube length must be sufficient to take a cross section through the entire depth of the oil. One end of the Trier is fitted with a tight valve which allows an unrestricted opening two inches in diameter when fully open. The valve is controlled by means of a rod from the top of the Trier. The Trier is so constructed as to take a sample within 1/4 inch or less of tank bottom.

b. Usage Limitations

- i. Oil of Uniform Composition—the core sampler may be used in all applications where the oil is shown to be of uniform composition and free from any layer of water or sediment at the bottom of the tank. However, triers over 20 feet in length become rather unwieldy.
- ii. Oil Not of Uniform Composition—where there is any evidence of stratification in the oil (e.g., a water or solids layer), the core sampler may be used only if the storage tank is of uniform cross-section (that is, each inch of tank height contains approximately the same quantity of oil). Where the tank is not of uniform cross-section, a core sampler should not be used if there is any evidence of non-uniformity in the oil such as a water layer, etc. (See "Sampling Procedure" below for method of detecting presence of layers).

3. Oil Thief

a. Description

The oil thief must meet the specifications of AOCS Method C-1-47, with the exception that the thief should be of plastic or metal construction, not glass. The thief is a tube, 3/8- to 1/2-inch inside diameter, of suitable length. One end is constricted by a short taper (not more than one-inch long) to about a 1/4-inch opening. The other end is constricted sufficiently so that it can be used as a finger valve.

b. Usage Limitations

The oil thief should be used for sampling small tanks, barrels, drums, etc. of 200-gal. capacity or less. Samples of both uniform and non-uniform oil may be taken with the oil thief (see "Sampling Procedure" below for special methods for using an oil thief where oil is non-uniform).

C. Devices for Continuous Sampling During Loading or Unloading Operations

1. Description

These are the so-called "bleeder samples." All continuous flow samples should be taken only with apparatus meeting the specifications of AOCS Method C 1-47. Where multiple loading or unloading lines are in use, a separate sample tank should be available for each loading or unloading line. However, an agitator is not required for each individual tank. A portable agitator may be inserted into the sample tank to thoroughly composite the accumulated material before representative samples are drawn. The sampling apparatus should be protected from the weather to prevent water contamination of samples. The apparatus should be watched constantly during use to check for plugging of the bleeder line, or other problems.

2. Usage Limitations

This method is applicable only if the oil being sampled is completely free flowing, essentially homogeneous, and does not contain any material that could plug the bleeder line.

D. Size and Number of Samples

1. General

The general procedure is to draw a number of small samples from various portions of the oil shipment, composite these samples thoroughly and then take representative 1/2-gallon official samples from the composite. In all cases, a minimum of four official samples should be taken from the composite. This permits one sample for the buyer, one for the seller and two in reserve for possible arbitration. The total size of the composite sample will vary with the size of the shipment, but will never be less than four gallons (approximately 30 lbs.). Increasing the amount of composite will yield more-representative samples. The four 1/2-gallon samples taken from the composite shall constitute official samples drawn by a qualified sampler in accordance with procedures described herein and labeled as required in NOPA Rule No. 102.

NOTE: Where only one shipment is involved, but it is stored in several tanks (e.g., as in a barge), each tank should be sampled, but the total amount of composite will be determined by total amount of shipment.

2. In the case of drum shipments, the minimum of samples per receipt will be as specified in the table below. Select at random the individual packages to be sampled. The number of such random packages will depend upon several practical considerations such as:
 - a. The tightness of the product specifications;
 - b. The source and type of the material and whether or not more than one production batch may be represented in the lot; and,
 - c. Previous experience with similar shipments, particularly with respect to the uniformity of quality from package to package.

A receipt as used herein represents parts of a lot that are distinct in time or place.

Shipments in Barrels, Drums
Tierces, and Other Packages
(Reprinted with permission from ASTM Standard D270-65)

No. of Packages In the Lot	No. of Packages to be Sampled	No. of Packages In the Lot	No. of Packages to be Sampled
1 to 3	all	1332 to 1728	12
4 to 64	4	1729 to 2197	13
65 to 125	5	2198 to 2744	14
126 to 216	6	2745 to 3375	15
217 to 343	7	3376 to 4096	16
344 to 512	8	4097 to 4913	17
513 to 729	9	4914 to 5832	18
730 to 1000	10	5833 to 6859	19
1001 to 1331	11	6860 or over	20

The minimum amount of composite sample is four gallons.

E. Sampling Procedure

1. Taking the Individual Samples

- a. Storage Tanks, Barges, Ship Tanks, and Railroad Cars

NOTE: Always choose the sampling location such that the deepest part of the tank can be reached with the sampler. If this cannot be done, as is the case with some ships' tanks, pump the oil into a suitable tank before sampling.

- i. Bomb- or Zone-Type Sampler

With the sampler's valve tightly closed, allow the sampler to sink down into the tank and strike the tank bottom, thus automatically opening the sampler valve. When air bubbling has stopped, showing the sampler is full, haul the sampler to the surface and discharge

the contents into a suitable clean container and examine the sample carefully for any signs of water, sediment, etc. Then proceed as follows:

- (a) If oil is clear and there is no sign of any solids, water, or foreign material, draw successive samples at one-foot increments in the tank (using the pull cord to open the sampler valve), proceeding from bottom to top. Repeat as needed, using a different tank opening each time if possible, until required amount of composite sample has been obtained. If tank bottom is reasonably flat, take first samples from as near the center as possible, next samples from near the side, etc. If tank bottom is not flat, take first samples from deepest part of tank, next set from second deepest part accessible, etc., until required volume of composite has been drawn.
- (b) If the oil is not clear, showing presence of water, solids such as soybean meal, rust, etc., add a one-inch extension to the plunger of the sampler, valve and again lower it into the tank. The sampler will automatically open one inch from the tank bottom. When the sampler is full, draw it out and discharge its contents into a clean container and examine closely. If no solids, water, etc. are present in this sample, proceed to draw samples at one-foot levels as discussed above.

If water, solids, etc. are present in this one-inch sample, add a two-inch extension to the sampler valve and repeat the process. Continue adding extensions to the valve plunger in this manner until a sample taken at some fixed point above the tank bottom contains only clear oil. Then proceed to take samples at one-foot levels the remainder of the way to the surface of the oil. Repeat as needed, in several tank locations if possible, until required amount of composite sample has been obtained. Place the bottom, one-inch, two-inch, etc. samples each in separate, labeled containers and hold them for addition to the composite sample as discussed below.

2. Core Sampler

With the sampler valve closed, lower the core sampler into the oil until it strikes the tank bottom. Then open the valve briefly by turning the operating rod, quickly close it tightly again and pull the core sampler from the oil. Discharge the small sample from the tank bottom into a suitable clean container and examine it carefully for any indication of the presence of water, sediment, etc. Then proceed as follows:

- a. If oil in tank bottom sample is clear—open the valve of the core sampler and lower slowly through the oil until the sampler strikes the tank bottom. Then close the valve, withdraw the sampler, and discharge the sample into a suitable clean container. Repeat as needed in several tank locations, if possible, until required amount of composite sample has been obtained.
- b. If oil in tank bottom sample is not clear—abandon use of the core sampler and sample the tank with a bomb- or zone-type sampler as specified under (bb) of bomb- and zone-type sampler procedure.

3. Continuous Sampling During Loading and Unloading Operations

Follow specifications of AOCS Method C 1-47.

4. Sampling Oil in Barrels, Drums, Tierces, or other Packages

Using an oil thief of suitable length, insert the thief through the opening nearest the center of the package with the thumb firmly over the end of the thief so no oil enters it. When the thief strikes the bottom of the package, quickly lift and replace the thumb to admit a small sample from the package bottom. Withdraw the thief, wiping off excess oil from the exterior, and discharge the small bottom sample into a suitable clean container and examine it closely. Then proceed as follows:

- a. If oil from package bottom is clear—proceed to sample the package by inserting the thief slowly into the oil with the finger valve open. When the package bottom is struck, close the thumb firmly over the finger valve, withdraw the thief and discharge the sample into a suitable clean container. Repeat this procedure several times for each of the packages to be sampled. Be sure the required amount of composite is obtained.
- b. If oil from package bottom is not clear—if there is any evidence of water, sediment, etc. at the bottom of the package, agitate the oil in the package vigorously until the contents are uniform and then proceed as under (a) above. A portable mechanical agitator may be used or the drum or barrel may be sealed and rolled about by hand.

F. Preparing the Composite Sample

1. Bulk Storage Tanks, Barges, Ship Tanks

- a. If tank is of uniform cross section

This means that each inch of the tank contains approximately the same quantity of oil (for example, the standard vertical, cylindrical storage tank).

- i. Bomb- and Zone-Type Samplers

To prepare the composite sample, blend together the individual samples in the proportion of their location to total oil depth.

Mix the composite thoroughly with a mechanical agitator or by hand with a paddle, and draw off the four ½-gallon official samples.

- ii. Core-Type Sampler

Blend all the samples taken uniformly to form the composite and draw off the four ½-gallon official samples.

- b. If tank is not of uniform cross section

This means that each inch of the tank depth does not contain the same amount of oil (for example, a railroad tank car where the bottom inch contains only a small fraction of the oil that a one-inch layer near the middle of the tank represents). If all of the samples drawn from the tank contained only clear oil, then it will suffice to merely blend all of them together uniformly to prepare the composite sample. If, however, any of the samples were not clear and presence of water or sediment is indicated, then the composite sample must be prepared by weighing each sample according to the proportion of the total tank volume it represents.

If a given sample is taken from a position in a tank that represents less than 0.1% of the total tank volume, the sample may be discarded and need not be included in the composite.

c. Continuous Flow Samples

Follow specifications of AOCS Method C 1-47.

d. Samples from Barrels, Drums, Tierces, etc.

Blend all samples thoroughly to form the composite, and draw off the four official samples.

III. Quantity Determination

A. Tank Calibration

Reference: ASTM-D-1220-65

1. Tanks to be used for measuring soybean oil by tank gauging methods shall meet the following requirements:
 - a. Tank must be a cylindrical, upright fixed-roof tank, above ground, in good mechanical condition with amount of tilt less than 1 part in 70.
 - b. Tank bottom must be firm and flat and level within 0.5 inch. Bottoms not meeting this specification shall be calibrated by liquid calibration (D-1220 paragraph 23).
 - c. Tank shall have been calibrated by a qualified tank strapper within the last three years or acceptable check on calibration as detailed in ASTM-D-1220 paragraph 16, performed within the last three years.
 - d. Certified gauging table is available to the surveyor at time of taking measurements. This table must include the reference gauging height from the bottom or datum plate to the gauging reference point.
 - e. Tank capacity shall be such that the quantity to be determined in store or to be transferred by gauging will be equivalent to more than 25% of the total tank volume.
2. Tank calibration shall be performed by the strapping procedure detailed in ASTM-D-1220 utilizing the procedures for "Critical Measurements" defined in paragraph 13b. Instruments used in calibration and calculations must be as detailed in the ASTM standard and conform to good engineering practice. Calculation of the gauging tables should include correction for expansion and contraction of the tank shell due to liquid head.

B. Gauging Procedure

Reference: ASTM-D-1085-65

1. Tank to be used must meet the requirements of paragraph III-A-1 of these standards.

2. Gauging tapes will be as specified in ASTM-D-1085 paragraph 4 and must have been recently checked for accuracy against a tape certified as accurate to within 0.005 H. per 100 H. at any point by the National Bureau of Standards.
3. If the oil has been recently transferred, sufficient time will be allowed for foam on the surface to dissipate. If the oil has been subjected to heating or agitation, allow at least eight (8) hours after discontinuing before gauging. Longer waiting times may be necessary to ensure that the oil is not moving and that all air has been dissipated.
4. Innage gauges taken according to the procedure specified in ASTM-D-1085 paragraphs 21 and 22 will be used for all measurements.
5. The tape reading at the tank reference mark on the gauging hatch must be reported for each gauging.
6. A minimum of two gaugings will be taken for each reading. If checks are not obtained, repeat gauging until two readings check within 1/8 inch.
7. Readings should be made to the nearest 1/16 inch.
8. If temperature of oil is above 80° F, corrections must be made for shell expansion due to temperature. The temperature of an uninsulated tank shell shall be taken as the mean between product temperature and ambient.
9. If temperature of oil is above 80° F, a tape temperature correction shall be made.
10. If tank bottom is not flat and a liquid calibration has not been made as defined in paragraph III-A-1-b, and entire contents are to be delivered, the bottom two feet of oil must be transferred to a separate smaller tank for gauging after the top oil has been delivered.
11. When there is any question about the firmness of the tank bottom, multiple gauge points will be used and the results averaged geometrically. If the relationship between any two individual reference gauge heights varies more than one inch from no load to full load (or vice versa), the tank must not be used for official quantity determination.

C. Weighing

Where practicable, weighing is the most accurate method of determining quantity. The scales to be used must have been inspected and approved by a recognized authority and a weighing done by a certified weighmaster. Good engineering practice must be followed throughout all stages of the weighing procedure.

D. Temperature Determination of Tanks

Reference: ASTM-D-1086-64

1. Use cup or flushing case thermometers as described in this method. Some variety of selection is allowed, but basically the thermometer must be of top quality and checked as follows:

Before initial use and at least annually, each thermometer shall be standardized in the laboratory by comparing it with a Bureau of Standards Thermometer at three or more temperatures. Before

using a thermometer in the field, it should be again checked at one or more temperatures near mid-scale against a recently calibrated thermometer. Cup or flushing case thermometers should be used.

MINIMUM NUMBER OF TEMPERATURE MEASUREMENTS
FOR VARIOUS DEPTHS OF PRODUCTS

Depth of Product	Minimum No.	Measurement Levels
More than 15 feet	3	3 ft. below top surface of product, middle of product, and 3 ft. above bottom surface of product
10 to 15 feet	2	3 ft. below top surface of product, and 3 ft. above bottom surface of product
Less than 10 feet	1	Middle of product

2. Procedure

Temperatures must be taken at the same time the liquid level is gauged. Thermometers must have attained the temperature of the product before reading them to the nearest degree Fahrenheit. For cupcase thermometer assemblies the minimum immersion time for each temperature reading is 3 minutes. If the temperature between locations specified in the preceding table varies by more than 2° F., then temperatures must be taken at a minimum of 5 vertical locations for contents heights less than 25 feet, or every 5 feet for greater heights.

E. Specific Gravity Determination

Reference: ASTM-D-1963-74

AOCS Method Cc 10c-95 Bureau of Standards Circular #19

1. A pycnometer of the type and accuracy specified must be used. The sample used is taken from the tank at the time the gauge and temperature are taken or is a portion of the official composite sample. The pycnometer must be calibrated with deaerated distilled water at the temperature of the tank contents.
2. Specific gravity determination is made in the laboratory at the exact temperature of the tank contents and reported as specific gravity at 5° F/t° F, where “t” is the temperature of the tank at gauging.
3. The weight-per-gallon of the oil as gauged is calculated by multiplying the determined specific gravity by the weight of one gallon of water (in air) at the tank temperature as given in U.S. Bureau of Standards Circular #19.

**APPENDIX B.
METHODS OF ANALYSIS**

The methods listed below indicate the latest issue at the time of this publication. It behooves the user of these methods to make certain that user has available and is following the latest revision of each specific method.

Product	Determination	Method
Soybean Oil, Crude	Flashpoint Moisture and Volatile	AOCS Cc 9c-95
	Neutral Oil*	AOCS Ca 2c-25
	Refining Loss	AOCS Ca 9f-57
	Bleach Test	AOCS Ca 9a-52
	Bleach Test*	AOCS Cc 8b-52
	Color	AOCS Cc 8e-63
	Free Fatty Acids	AOCS Cc 13b-45
	Sampling	AOCS Ca 5a-40
	Unsaponifiable Matter	AOCS C 1-47
	Phosphorus	AOCS Ca 6a-40
		AOCS Ca 12-55
Soybean Oil, Refined	Moisture and Volatile Matter	AOCS Ca 2c-25
	Moisture	AOCS Ca 2e-84
	Free Fatty Acids	AOCS Ca 5a-40
	Bleach Test	AOCS Ca 8b-52
	Chlorophyll	AOCS Cc 13d-55
	Unsaponifiable Matter	AOCS Ca 6a-40
	Phosphorus	AOCS Ca 12-55
Soybean Oil, Refined and Bleached	Moisture and Volatile Matter	AOCS Ca 2d-25
	Moisture	AOCS Ca 2e-84
	Free Fatty Acids	AOCS Ca 5a-40
	Color	AOCS Ca 13b-45
	Chlorophyll	AOCS Cc 13d-55
	Unsaponifiable Matter	AOCS Ca 6a-40
	Phosphorus Peroxide	AOCS Ca 12-55 AOCS Cd 8b-90
Soybean Oil for Technical Uses	Iodine Value	AOCS Cd 1d-92
	Unsaponifiable Matter	AOCS Ca 6a-40
	Phosphorus	AOCS Ca 12-55
Refining Byproduct Lipid, Acidulated; Refining Byproduct Lipid and Tank Bottoms	Sampling	AOCS G 1-40
	Total Fatty Acids and Oxidized Fatty Acids	AOCS G 3-53
	Neutral Oil	AOCS G 5-40
	Titer Test	AOCS G 6-40
	pH	AOCS G 7-56

*These methods are to be used for crude soybean oil settlements.

NOPA Weighmaster Regulations

1. Does not buy or sell soybeans, soybean oil or soybean meal for Weighmaster's own account or jointly or otherwise for the account or on behalf of others, except for soybeans produced by Weighmaster.
2. Correctly and faithfully performs Weighmaster's duties as a NOPA-appointed Official Weighmaster.
3. Agrees that NOPA may revoke Weighmaster's designation as an Official Weighmaster at any time during the period of this agreement.
4. Is familiar with all operations in and around facility which might affect the accuracy of the weight to be covered by a NOPA official weight certificate.

Duties of a Weighmaster

Hopper Scales

1. Check all equipment set for loading or unloading, noting any exceptions which would render empty equipment unfit for loading, in which case reject the equipment.
2. Check Garner and Scale to see that all operating components are functioning properly.
3. Check Scale for Zero routinely; check Scale for repeatability periodically.
4. See that product in loaded equipment is properly trimmed.
5. Check equipment for leaks after loading and report to carrier any leaks not readily repairable.
6. Ensure that all applicable sealing requirements have been met.
7. Check all conveyance, spouting, and receiving equipment between scale hopper and equipment to be certain no leakage is involved.

Platform and Track Scales

1. Check all equipment set for loading or unloading, noting any exceptions which would render empty equipment unfit for loading, in which case reject the equipment.
2. Check Scale on regular intervals to see that it is gapped and properly operating.
3. Check scale for Zero routinely; check Scale for repeatability periodically.
4. See that product in loaded equipment is properly trimmed.
5. Check equipment for leaks after loading and report to carrier any leaks not readily repairable.
6. Ensure that all applicable sealing requirements have been met.
7. In freezing weather, see that dust guards are free and Scale is not frozen.

Flow Meters

1. Check all equipment set for loading or unloading, noting any exceptions which would render empty equipment unfit for loading, in which case reject the equipment.
2. Check flow meter to verify proper operation.
3. Check equipment for leaks after loading and report to carrier any leaks not readily repairable.
4. Ensure that all applicable sealing requirements have been met.
5. Check all conveyance, spouting, and receiving equipment between flow meter and equipment, to be certain no leakage is involved.



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 Fax: 202.842.9126
 www.nopa.org

**SEMI-ANNUAL SCALE &
 FLOW METER REPORT**

DATE: _____

The _____ measuring device at _____
 (plant identification or location of scale or flow meter) (company)

_____ plant is described below and is certified to
 (city and state)
 have been inspected as attested by the attached inspection report.

<input type="checkbox"/> Flow Meter: _____	A) INSTALLED
Type: _____	<input type="checkbox"/> Before December 1, 1979
Manufacturer: _____	<input type="checkbox"/> After December 1, 1979
Model: _____	B) Capacity per Dump: _____
Length: _____	C) Electronic: Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Truck Scale: _____	D) Manual: Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Track Scale: _____	Last Scale or Flow Meter Check: _____
<input type="checkbox"/> Hopper Scale: _____	(copy attached) (date)

By my signature, I certify that the above information is accurate and true. I also certify that the required Weighmaster Duties and Procedures have been reviewed with the Weighmaster approved by NOPA and continued compliance thereto confirmed.

DISTRIBUTION

Email to:
 National Oilseed Processors Association
 1300 L Street, NW
 Suite 1020
 Washington, DC 20005-4168

Original:
 To be retained in your files

SIGNED: _____

NAME/TITLE: _____

COMPANY: _____

ADDRESS: _____

CITY: _____

STATE: _____ **ZIP:** _____

PHONE: _____

NOTE: This certification expires on: _____
 Form for semi-annual recertification will be distributed by NOPA 30 days in advance of
 expiration of this certification.

APPENDIX E
OFFICIAL REFEREE CHEMISTS
(2017-2018 AOCS Certified Chemists)

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+1 985-785-8302

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ATC Scientific

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Michael Hawkins

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APPENDIX F.

**SOYBEAN OIL EXPORT
TRADING RULES**

Adopted August 27, 1973

Amended August 1979; August 1980; August 1982; August 1983; June 1984; August 1988; February 2006

1.

Application of Rules

These Rules are to serve as a guide only for transactions. It is understood that the parties to such transactions are free to adopt, modify or disregard the Rules.

2.

Grades and Quality

- a. Crude Degummed Soybean Oil
Analytical Requirements:

	Maximum	Minimum	Method
Unsaponifiable Matter	1.5%		Ca 6a-40
Free Fatty Acids, as Oleic	0.755 ^a		Ca 5a-40
Moisture and Volatile Matter and Insoluble Impurities	0.3% M & V		Ca 2c-25 Ca 3a-46
Flashpoint		250° F	Cc 9c-95
Phosphorous	0.02% ^b		Ca 12-55

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by AOAC Method No. 974.20 and shall be negative.

Deviations:

Only the following are allowable, with the discounts to apply as shown.

- i. Free Fatty Acids 0.76%—0.85%—0.2% of contract price
 0.86%—0.95%—0.4% of contract price
 0.96%—1.05%—0.6% of contract price 1.06%—
 1.15%—0.9% of contract price 1.16%—1.25%—
 1.2% of contract price
- ii. Phosphorous

Shipment up to 0.025% permitted, with the following discounts for excess over 0.020%.

0.021%—0.2% of contract value
0.022%—0.4% of contract value
0.023%—0.6% of contract value
0.024%—0.9% of contract value
0.025%—1.2% of contract value

Physical Requirements:

Crude Degummed Soybean Oil sold for export shall be pure soybean oil. It shall be produced from fair average quality crude soybean oil from which the major portion of the gums naturally present has been removed by hydration and mechanical or physical separation. It shall be equal in quality to soybean oil produced for domestic consumption.

b. Once Refined Soybean Oil

Analytical Requirements:

Clear and brilliant in appearance at 70°–85° F.

Free from settlings, at 70°–85° F.

Shall contain not more than 0.10% moisture and volatile matter using AOCS Official Method Ca 2c-25.

Shipment up to 0.15% allowed, with following discount to be applied over 0.10%:

0.11%—0.3% of contract price

0.12%—0.6% of contract price

0.13%—0.9% of contract price

0.14%—1.2% of contract price

0.15%—1.5% of contract price

Free Fatty Acids shall not be in excess of 0.10%. Shipment up to 0.15% allowed, with following discount to be applied over 0.10%:

0.11%—0.2% of contract price

0.12%—0.4% of contract price

0.13%—0.6% of contract price

0.14%—0.9% of contract price

0.15%—1.2% of contract price

Color when bleached according to AOCS Method Cc 8e-63 shall not be darker than 3.5 red and shall not have a predominantly green color.

Flashpoint shall not be below 250° F, as determined by AOCS Method Cc 9c-95.

The unsaponifiable chemical content shall not exceed 1.5% when determined according to AOCS Method Ca 6a-40.

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by AOAC Method No. 974.20 and shall be negative.

Physical Requirements:

Once Refined Soybean Oil sold for export shall be pure soybean oil. It shall be produced from fair average quality crude soybean oil from which essentially all of the free fatty acids and non-oil substances have been removed by refining treatments.

c. Fully Refined Soybean Oil

Analytical Requirements:

Color, Lovibond (maximum)	20 yellow/2.0 red
Free Fatty Acid, as Oleic (maximum)	0.05% by weight
Peroxide value	2.0 meq/kgm
Cold test (minimum)	5.5 hours
Fat stability, AOM (minimum).....	8 hours-35 meq/kgm
Moisture and Volatile Matter (maximum)	0.10% by weight
Preservatives (GRAS) are permitted	

Chemical analysis shall be made in accordance with the methods from “Official Methods and Recommended Practices of the AOCS, Chapter: Commercial Fats and Oils, Section C.”

The chemical analysis to determine quality shall include the qualitative test for fish oil and marine animal oils as prescribed by AOAC Method No. 974.20 and shall be negative.

Physical Requirements:

The oil shall be clear and brilliant in appearance at 70°–85° F.

The oil shall be free from settlings or foreign matter of any kind.

The oil shall have a clean, fresh flavor and shall be free from rancid, beany, painty, sour, or other objectionable flavors or odors, as specified in U.S. Department of Agriculture Specification A-A-20091D.

**3.
Quantities and Quantity Tolerances**

A tolerance of 5% more or 5% less of the quantity specified by contract is recognized as a custom of the trade and is permitted. The contract price shall govern such tolerance quantity.

Should the quantity shipped differ in excess of 5% more, or 5% less of the contract quantity, Buyer shall not be entitled to reject the shipment, but the Seller shall make allowance for the difference over or under contract quantity as may be agreed by Buyer and Seller, or, if not agreed, then as may be fixed by arbitration as provided in these Rules.

Where the contract states minimum/maximum (or min./max.), the minimum/maximum requirement is deemed to be satisfied by delivery of the contract quantity plus or minus 1.5 (one and one-half) metric tons, either for any partial or complete fulfillment of the contract.

For the purpose of these Rules, ships’ tanks shall be understood to mean any and all tanks, or compartments, or both, contained in vessels of any kind in which oil is shipped in bulk.

The terms “short tons,” “metric tons,” and “long tons” shall be understood to mean tons of 2000 pounds, 2204.6 pounds and 2240 pounds, respectively.

C.I.F./C. & F. Shipment

Time of shipment shall be as specified in the contract. In the absence of evidence to the contrary, the on board date of Bill of Lading shall be proof of date of shipment. In the event of non-shipment under a contract providing for name vessel, or substitute, Seller shall be considered to have fulfilled the shipping terms of the contract if Seller furnished proof of freight contract engagement, or charter party, or both, therefor, and also proof that the goods were available in contract quantity and quality in time for shipment from seaport. In such event, shipment shall be made by next available vessel.

The period herein specified within which Bills of Lading must be dated shall be deemed to include an additional period of not to exceed eight (8) calendar days, when so desired by the Seller, provided Seller gives Buyer notice of Seller's intentions to claim additional days by electronic mail with acknowledgment of receipt requested or telefax sent not later than the business day following the last day included in the originally stipulated period for shipment, such notice to be passed on by other Sellers to their Buyers respectively, in due course after receipt. Such notice need not state the number of additional days claimed by the Seller, and the Seller may ship at any time within eight (8) additional calendar days. The Seller, however, shall make an allowance to the Buyer, to be deducted in the invoice from the contract price based on the number of days by which the originally stipulated period is exceeded as follows: If exceeded by 1, 2, 3, or 4 calendar days, 1/2 of 1% of the gross C.I.F. or C.&F. price; if exceeded by 5 or 6 calendar days, 1% of the gross C.I.F. or C.&F. price; if exceeded by 7 or 8 calendar days, 1-1/2% of the gross C.I.F. or C.&F. price. If, however, after having given notice to the Buyer as above, the Seller fails to make shipment within such eight (8) calendar days, then the contract shall be deemed to have called for shipment during the originally stipulated period plus eight (8) calendar days, at contract price less 1-1/2%, and any settlement for default shall be calculated on that basis.

In the event shipment cannot be made by Seller within the contract shipment period, or within the eight (8)-calendar-day period allowed above, Seller shall advise Buyer of such fact and the reasons as soon as possible. Thereupon, unless excused by "force majeure," Seller will be in default.

5. F.O.B. Vessel Deliveries

For F.O.B. Vessel Contracts, Buyer shall give Seller vessel nomination(s), either by electronic mail with acknowledgment of receipt requested or telefax, which shall include as accurately as possible the estimated date of arrival of the vessel(s) and vessel name(s). The nomination(s) shall be given at least fourteen (14) calendar days in advance of the said estimated date of arrival, and these fourteen (14) calendar days shall commence to run on the business day following the date of receipt of the nomination(s) by the Seller. Buyer shall have the right to nominate contractual quantity either in partial or complete fulfillment of contract, for delivery to a barge or land tank. Preadvice must be identical to F.O.B. vessel deliveries. For purposes of this Rule the business day expires at 3:00 p.m. (1500 hours) Eastern Time.

On F.O.B. Vessel Contracts specifying payment terms Cash Against Documents, named location, Seller is entitled to payment on the same day when the documents are in order and are presented to Buyer or Buyer's designated agent prior to 12:00 Noon (1200 hours) Eastern Time. Failure to pay the same day will obligate the Buyer for each day's interest until payment is made. Interest claims will not be sufficient cause to withhold release of documents after Buyer has paid in full for the goods. Interest payments shall be paid upon receipt of Seller's invoice. Interest charge based on 1.5% over current Prime Rate.

On F.O.B. Vessel Contracts, if the Buyer's vessel fails to load by the last day of shipping period specified in the contract, such shipping period shall be deemed to include an additional period of not more than eight (8) calendar days, when requested by Buyer.

In such case, the Seller must deliver the goods onto Buyer's vessel presented within such additional eight (8) calendar days. The Buyer, however, shall pay to the Seller a premium, to be added in the invoice to the contract price based on the number of days by which the original stipulated period is exceeded as follows: If exceeded by 1, 2, 3, or 4 calendar days, 1/2 of 1% of the F.O.B. price; if exceeded by 5 or 6 calendar days, 1% of the F.O.B. price; if exceeded by 7 or 8 calendar days, 1-1/2% of the F.O.B. price.

If Buyer fails to present Buyer's vessel for loading within such additional eight (8)-calendar-day period, Seller may, but is not obligated to, extend the shipping period for an additional period to be mutually stipulated. In such event, the Buyer shall pay to the Seller an additional premium of 1/4 of 1 percent of the F.O.B. price for each calendar day beyond eight (8) calendar days.

The Bill of Lading date shall govern in assessing the additional premium. The premiums provided herein are to be construed in the nature of liquidated damages, and as such, no further proof of damages shall be required.

If, however, after having expressed Buyer's intention to present Buyer's vessel for loading within such additional eight (8) calendar days, by notice sent to Seller on or before the last day of the shipping period originally stipulated the Buyer fails to present Buyer's vessel for loading, then the contract shall be deemed to have called for shipment during the originally stipulated period plus eight (8) calendar days, at contract price plus 1-1/2%, and any settlement for default shall be calculated on that basis.

Vessel substitutions shall be allowed provided that such substitutions originate with the vessel's owner. The Buyer must prove, if so asked by the Seller, that such owner substitutions are authentic. In the event that the Buyer does not prove that such owner substitutions are authentic, the Seller shall be entitled to assess carrying charges of 50 cents per metric ton per day for each calendar day beyond the originally scheduled load date until the actual load date as evidenced by the Bill of Lading. Furthermore, the Buyer shall be entitled to one vessel substitution aside from those originating with the vessel's owner in the event that the original vessel falls beyond its lay days.

Loading shall be effected with customary quick dispatch in accordance with the custom of the port, once vessel load is ready in berth. If the loading is delayed for reasons beyond the Seller's control, including but not limited to non-availability of load berth, Seller shall not be responsible for any costs, expenses, and/or vessel demurrage incurred as a consequence.

When a Buyer nominates delivery to a barge or to another tank located at the facility that the Seller has contracted for loading, the Seller is not obligated to effect the transfer before first receiving 98% of the contracted value of the oil being transferred. If Buyer requests, Seller must supply proof of the availability of the oil to be transferred. Final settlement shall be due upon completion of the actual product transfer.

6. Interpretations

- a. The term "first half" of any month shall be construed to mean from the first calendar day to the fifteenth calendar day, both inclusive, and the term "second half" shall be construed to mean from the sixteenth calendar day to the last calendar day, both inclusive.
- b. The terms "early" or "beginning," "middle," and "end" or "late," if reference to any month shall be construed respectively to mean from the first calendar day to the tenth calendar day, from the eleventh calendar day to the twentieth calendar day, and from the twenty-first calendar day to the last calendar day, all inclusive.
- c. If the last day for shipments/deliveries falls on Saturday, Sunday or legal holiday, time for shipments/deliveries will be extended until the next business day.

- d. Washouts, close-outs or defaults shall be basis contract quantity without tolerances. If the contract provides for a minimum and maximum quantity, the mean thereof shall apply.

7. Default

Should the Seller be in default of contract, the Buyer shall have the right to buy in the open market goods of the kind, quantity, quality and description specified in the defaulted contract. Such right, if exercised, shall be exercised not later than the close of the seventh calendar day after Buyer becomes aware of the default and after the Buyer shall have given prior notice by electronic mail with acknowledgment of receipt requested or telefax to the Seller of Buyer's intentions so to buy. The Seller shall reimburse the Buyer in the amount of any direct market loss.

Should the Seller be dissatisfied with the price of the covering purchase or if the Buyer's right to cover the defaulted contract is not exercised as provided in these Rules, then the matter of any damages shall be settled by arbitration. Damages shall be measured by the difference between the contract price and the fair market value of the contract commodity on the day the defaulted contract is covered, plus freight, insurance, and other costs to the extent applicable.

Should the Buyer be in default of contract, the Seller shall have the right to sell in the open market goods of the kind, quantity, quality and description specified in the defaulted contract. Such right, if exercised, shall be exercised not later than the close of the seventh calendar day after Seller becomes aware of the default and after Seller shall have given prior notice by electronic mail with acknowledgment of receipt requested or telefax to the Buyer of Seller's intention so to sell. The Buyer shall reimburse the Seller in the amount of any direct market loss.

Should the Buyer be dissatisfied with the price of the covering sale, or if the Seller's right to cover the defaulted contract is not exercised as provided in these Rules, then the matter of any damages shall be settled by arbitration. Damages shall be measured by the difference between the contract price and the fair market value of the contract commodity on the day the defaulted contract is covered, plus freight, insurance, and other costs to the extent applicable.

Should either party to a contract anticipatorily breach such or commit an act of bankruptcy or insolvency, the other party need not await maturity of the contract or any unfulfilled portion thereof in order to take appropriate action, and under these circumstances, after giving one (1) business day's notice by electronic mail with acknowledgment of receipt requested or telefax, may resell or repurchase an appropriate quantity of the contract material and thereupon earn the right to recover any direct market loss incurred.

In the event that a profit shall result accruing to the party in default for any reason mentioned in this section, then the other party to the contract shall be accountable and responsible for such profit to the party in default.

Each shipment is deemed to be a separate contract. Buyer shall not be entitled to reject tender of a shipment nor to terminate because of any default by Seller occurring in an earlier shipment unless it is clear that such default will result in default of the entire contract.

These statements of the rights of the party not in default to cover shall not be the sole remedy, and such party shall have in addition, or in lieu thereof, any remedies provided by law.

8.
Force Majeure

In the event of war, hostilities or blockade preventing a shipment during the contract period, the contract or any unfulfilled portion thereof shall be cancelled.

Should shipment be delayed by fire, strike, lockout, riot, revolution, prohibition to export, or any executive or legislative act done by or on behalf of the government of the territory where the port or ports of shipment or destination named in the contract is or are situated, or by any cause comprehended in the term "force majeure" other than the reasons given in the preceding paragraph hereof, then the time of shipment shall be extended by thirty (30) calendar days after the termination of the occasion preventing shipment, but not more than two (2) months. Should shipment not be possible within these two (2) months, the contract shall be cancelled.

9.
Seller's Obligations

- a. When Seller is responsible for obtaining Bills of Lading, Seller shall deliver to the Buyer such Bills of Lading issued in accordance with terms or conditions set forth in the "tanker voyage charter party" or, at Seller's option, in the "berth term oil booking agreement," and either type of Bill of Lading shall be accepted by the Buyer. An exact copy of such charter party or booking agreement shall be attached to the Bill of Lading.
- b. When Seller arranges for ocean freight space, Seller may make declaration to the Buyer of the name of the vessel, its ports of loading and its expected departure dates; however, such declaration shall not be deemed to modify the terms of the contract.
- c. Upon demand at any time subsequent to the date of shipment, Seller shall immediately notify Buyer of conditions of affreightment pertaining to and affecting loading and discharge and/or any other conditions not specified in the Bill of Lading.
- d. The original Seller shall send notice of shipment to Buyer or to Buyer's representative by electronic mail with acknowledgment of receipt requested or telefax not later than seven (7) calendar days after date of Ocean Bill of Lading. This notice shall contain the name of the vessel, date of this Bill of Lading, the approximate quantity shipped and the loading port. Intermediate contract parties shall forward the notice to their Buyer immediately.
- e. On F.O.B. vessel contracts, Seller shall pay all charges except wharfage incurred in placing the goods actually on board the vessel designated and provided by or for the Buyer on the date or within the period fixed, and expenses for pumping the goods on board. "On board" shall mean "over the ship's rail."
- f. On F.A.S. vessel contracts, Seller shall pay all charges incurred in placing the goods alongside vessel. However, Seller shall not be under obligation to deliver cargo to one location designated by vessel's agents. In the event the cargo subsequently has to be moved under ship's tackle, such expenses, if any, are to be for the account of the Buyer.
- g. On C.&F. and C.I.F. contracts, Buyer shall, upon arrival at destination, handle and pay for all subsequent movement of the goods, including pumping out and steam charges, or otherwise take physical delivery of the goods from the vessel in accordance with Bill of Lading clauses and terms, and pay all costs of landing, including any duties, taxes and other expenses at named port of destination.
- h. On C.I.F. contracts, marine insurance shall be furnished by the Seller for invoice value plus 5% as per Institute Cargo Clauses (all risks), including coverage against all risks of physical loss or damage from any external cause and contamination irrespective of percentage on each tank or on the whole. Any excess insurance over 5% shall be for Seller's benefit. All claims shall be paid through recognized agents. Seller shall insure goods against war risks on usual underwriters' conditions, but Seller's obligations in this respect shall be limited to the terms and conditions in force and generally obtainable in the United States of America on the date of the Bill of Lading or date of the vessel's sailing from each

loading port for which Bill or Bills of Lading are issued, whichever may be adopted by Underwriters. Any war risks premium in excess of 1/2% shall be payable by Buyer at time of presentation of documents and shall be advised to Buyer not later than time of appropriation or not later than three (3) calendar days after the rate has been agreed with Underwriters, whichever may be the later.

- i. Seller shall, on C.I.F. contracts, furnish Buyer original insurance policies or negotiable insurance certificates covering the goods shipped. All claims shall be payable in United States currency available in the United States of America.
- ii. Seller shall pay for bank charges for collection of documents. When the contract provides for landed weights, Seller shall pay the costs of determining the same.

10. Survey, Weights, Sampling and Analysis

Survey, sampling and weighing shall be performed by recognized independent surveyors, samplers, and weighers. If the appointed surveyor is not mutually agreeable to Buyer and Seller, each shall have the right of appointing, at Buyer's or Seller's expense, Buyer's or Seller's own surveyor.

SURVEY

a. Inspection of Vessel's Tanks

- i. Tank and heating coils, if present, must be dry and completely free of any previous cargo, loose scale or rust.
- ii. Tanks must withstand a 3 psi, 30 minute air test. Coils, if any, must be tested under a minimum of 80 psi steam pressure. If there are double bottoms beneath the tanks, they must be tested, using a head of fuel oil or water, equivalent to the height of the tank. In the event the vessel is unable to conduct the above, a certificate guaranteeing tightness must be given to the surveyor by the Master prior to any cargo being loaded.
- iii. Tightness and cleanliness of pipelines, valves, and pumps are the responsibility of the vessel.

DETERMINATION OF WEIGHTS FOR BULK MOVEMENTS

a. Scales

Scales, when used, must have a certificate or seal of approval issued by a recognized authority, dated not more than one (1) year prior to the date of weighing. Weighing must be performed by a certified weighmaster.

b. Tank Cars and Tank Trucks

- i. When weights are to be determined for export purposes, all tank cars and tank trucks will be weighed heavy first and after unloading, weighed light, over the same scale, at the port of loading.
- ii. During weighing, all tank cars must be weighed free, uncoupled, and centered on the scale. Tank trucks must be weighed on a scale that is large enough to accommodate both the tractor and tank trailer at the same time; no double- or split-weighing permitted.
- iii. Prior to weighing, tank cars and tank trucks are to be made reasonably free of snow, ice or other extraneous substances. Failing this, a suitable allowance shall be jointly assessed and shown as a deduction.

c. Drum Shipments

- i. If drums are uniform in size and gauge, an average tare weight must be established by weighing not less than 10% of the empty drums.
- ii. If various types of drums are used, a tare weight must be established for each individual drum.
- iii. Scales to be used for drum weighing must be checked periodically with test weights, in the same weight range as the full drums.
- iv. The weights must be stenciled or otherwise printed on the drums at the time of weighing.

d. Storage Tanks

- i. All storage tanks must be calibrated by a recognized official calibrating company. The certified gauge charts must show a tank height from a specific gauge point at all openings in the tank where gauges are to be taken. Calibration charts must be available to the surveyor at all times.
- ii. Tank shall have been calibrated by a qualified tank strapper within the last three (3) years or acceptable check on calibration as detailed in ASTM-D-1220 paragraph 16 performed within the last three (3) years.

e. Storage Tank Gauging Procedure

- i. Standard gauging tapes must be used and checked for accuracy.
- ii. All gauging will be done jointly by the surveyor and a representative of the warehouse or plant, each using their own equipment. Deviations between gauges must not be more than 1/8" and both gauges averaged.
- iii. All gauge records must show gauge height, innage and outage. If there is any difference between the gauge height shown on the calibration chart and that actually obtained, same must be noted and all parties must be advised.
- iv. Temperatures will be taken using a calibrated cup thermometer that can be accurately read to 1° F. Temperatures must be obtained from at least two gauge holes on tanks having four holes, and from at least four gauge holes on tanks having eight holes, said temperatures being taken from opposite sides of the tank.
- v. Temperatures must be taken three (3) feet from the bottom, middle, and three (3) feet below the surface of the oil. If there is a wide variation of temperatures, intermediate readings must be taken.

f. Specific Gravity Determination

- i. A standardized pycnometer will be used for determination of specific gravities at the temperature of the oil in the storage tank.
- ii. Specific gravities may be run at temperatures over temperatures (T/T), temperature over 77° F (T/77° F), or temperature over 60° F (T/60° F). The specific gravities are then converted to pounds per gallon using the standard pounds-per-gallon of water applicable to each temperature.

g. Shore Pipelines and Pumps

- i. The suitability of all plant equipment for the loading of the vessel is the responsibility of the terminal or plant; however, the surveyor must also inspect all plant equipment as far as it is practicable.
- ii. All take-offs from the line to be used for the loading operation must be blanked or sealed closed.
- iii. Loading lines must be pigged or blown with air before and after loading in the presence of the surveyor.

SAMPLING

- a. Storage Tanks
 - i. If the oil is uniform, samples of equal size must be obtained from the storage tank at one-foot levels, and composited.
 - ii. If the oil is not uniform, a composite representative proportionate sample shall be drawn.
- b. Vessel's Tanks
 - i. Immediately after loading, a representative sample shall be drawn from the vessel's entire depth of the material using accepted sampling techniques.
 - ii. The official sample for analysis shall be based on a weighed composite sample of the material in all tanks used for the specific shipment.
 - iii. If more than one tank is used for the carriage of the oil, and an analysis is made of each tank, the quality of the shipment shall be based on the analysis of the weighed composite sample only, and not on the analysis of any individual tanks.
 - iv. Samples to be used must be of the Bacon Bomb, or Curtis and Tompkins type.
 - v. When more than one (1) Seller supplies material for a commingled shipment, a representative sample of each Seller's material must be secured, prior to commingling.
 - vi. Two sealed representative samples must be left on board the ship, one for the Consignee and one for the vessel. If more than one surveyor is in attendance, all samples must be jointly sealed. A receipt for the samples must be obtained from the ship.
 - vii. Upon completion of loading, surveyor shall record in the presence of a ship's officer, temperatures and ullages of contents of each tank loaded, which information together with ship's draft and list to be shown in the Report of Loading.

ANALYSIS

- a. Analysis shall be made in accordance with methods approved by the American Oil Chemists' Society in effect as of the date of the contract.
- b. Chemical analysis shall be performed by any NOPA Official Referee Chemist.
- c. If the analysis does not meet specifications, a second analysis of the official sample must be conducted by another NOPA Official Referee Chemist not previously concerned.

11.

Circles or Washouts

- a. Where a Seller repurchases from Buyer, or from any subsequent Buyer, the same goods or part thereof, a circle shall be considered to exist as regards the particular goods so repurchased and the provisions of the Default Clause shall not apply. (For the purpose of this Clause the same goods shall mean goods of the same description, of the same country of origin, of the same quality and, where applicable, of the same analysis warranty, for shipment from the same port(s) of origin or for shipment to the same port(s) of destination during the same period of shipment.)
- b. Contractual parties may agree with the other participants in the circle to forego actual delivery and to participate in a clearinghouse agreement for the settlement of contract price differences. Funds due and owed to participants in the circle shall be payable on the last business day of the contract shipping period.

- c. If a circle can be shown to exist, but no clearinghouse agreement has been reached by the last business day of the contractual shipping period, actual delivery shall not be made, and payment shall be effected by each Buyer to invoice amount of Buyer's Seller over the lowest invoice amount in the circle. Settlement shall be due for payment not later than seven (7) calendar days after the circle is established.
- d. All Sellers and Buyers shall give every assistance to the establishment of the circle and when a circle shall have been established, same shall be binding on all parties to the circle.
- e. Should any party in the circle commit prior to the due date for payment any act of bankruptcy or insolvency contemplated in the Default Rule, the invoice amount for the goods calculated at the closing-out price as provided for in the Default Rule shall be taken as the basis for settlement instead of the lowest invoice amount in the circle, and in this event each Buyer shall make payment to Buyer's Seller or each Seller shall make payment to Seller's Buyer of the difference between the closing-out price and their contract price, as the case may be.
- f. All payments shall be effected by simultaneous electronic transfer of funds on the agreed settlement date, which shall be no later than fifteen (15) calendar days after the last day of the contracted shipment period.
- g. All circles/washouts shall be effected basis mean contract quantity unless tenders have been passed through the "string," in which case the tendered weights to govern.

12. Arbitration

All controversies arising out of contracts made under these Trading Rules or the Breach thereof, unless amicably adjusted otherwise, shall be settled by final and binding arbitration in accordance with the rules, then obtaining, of the American Arbitration Association (AAA)*, except to the extent modified herein, and judgment upon the award rendered may be entered in the highest court of the forum, state or federal, having jurisdiction.

The arbitrators shall be appointed in the following manner: each party to the dispute shall appoint an arbitrator from a list to be prepared by AAA from the National Panel of Arbitrators. The arbitrator appointed by each party must be: (1) actively engaged in the buying or selling of oilseed products and have been so engaged for a minimum of five (5) years; or, (2) retired after at least five (5) years of active engagement in the buying or selling of oilseed products. The party-appointed arbitrators shall select from AAA's list a third arbitrator who meets the above requirement. If the party-appointed arbitrators fail to agree on a third arbitrator, AAA shall appoint a third arbitrator who meets the above requirement.

Arbitration proceedings must be commenced within sixty (60) calendar days after the date the soybean oil arrived or should have arrived at destination specified in the sales contract. A subsequent claim, whether in arbitration or in court, shall be barred.

Arbitration proceedings may be consolidated at the discretion of the arbitrator or arbitration panel where such consolidation would tend to avoid unnecessary costs or delay or would assist in achieving a fair result.

* For information regarding the services of the American Arbitration Association and a listing of its offices, contact the AAA at: 335 Madison Avenue, Floor 10, New York, NY 10017-4605 Tel.: 212/716-5800, Fax.: 212/716-5905, www.adr.org.

13.
Miscellaneous

- a. The full rights of Buyer, Seller, or both, under the contract and these Rules shall in no way be affected by omissions, increased privileges, or provisions inconsistent with or at variance with the provisions of these Rules, indicated or expressed in letters of credit against which partial or full payment is to be made.
- b. When the Seller, at the request of the Buyer, performs any services in connection with the contract beyond those required by the terms thereof, Seller shall be deemed to act as the agent of the Buyer in respect to the performance of such services, and Seller's responsibility to the Buyer shall be determined by the usual obligations of an agent to the principal.
- c. Contracts made subject to these Rules will be deemed made in the State of New York. The laws of the State of New York, without reference to the conflict of laws provisions, are to govern interpretation and enforcement of such contracts, and such laws, both case and statutory, are deemed incorporated in and made a part of these Rules as if set forth fully at length.

If, despite the exclusivity of remedy under the arbitration clause, a party seeks recourse in the courts to enforce or resist enforcement of such arbitration clause, such recourse will be sought solely in the state or Federal courts of the State of New York.

- d. Unless Buyer and Seller expressly agree to different terms and conditions at the time of the trade, the "Soybean Oil Export Trading Rules" set forth above shall govern.

APPENDIX G.

**NATIONAL OILSEED PROCESSORS ASSOCIATION
UNIFORM SOYBEAN OIL
EXPORT CONTRACT**

Adopted August 27, 1973

SELLER:

BUYER:

Seller has sold and agrees to deliver, and Buyer has purchased and agreed to accept, the soybean oil described below as follows:

Quantity:

Quality:

Price and Unit:

Price Basis:

Shipment Dates:

Payment Terms:

Weights to Govern:

Special Conditions:

This contract is made subject to the Soybean Oil Export Trading Rules of the National Oilseed Processors Association and incorporates such Rules as if set forth at length herein. The parties acknowledge familiarity with such Rules which are available through any NOPA member and are obtainable at NOPA's Washington, D.C. Office.

SELLER
By

BUYER
By

APPENDIX H.

FOREIGN TRADE DEFINITIONS

The following definitions of the National Foreign Trade Council, Inc., are reproduced for information purposes only. They are NOT to be construed as part of the National Oilseed Processors Association Trading Rules. They are reprinted through the courtesy of National Foreign Trade Council, Inc., the Chamber of Commerce of the United States of America, and the National Council of American Importers, Inc.

Revised American Foreign Trade Definitions 1941

Adopted July 30, 1941, by a Joint Committee representing the Chamber of Commerce of the United States of America, the National Council of American Importers, Inc., and the National Foreign Trade Council, Inc.

FOREWORD

Since the issuance of **American Foreign Trade Definitions** in 1919, many changes in practice have occurred. The 1919 Definitions did much to clarify and simplify foreign trade practice, and received wide recognition and use by buyers and sellers throughout the world. At the Twenty-Seventh National Foreign Trade Convention, 1940, further revision and clarification of these Definitions was urged as necessary to assist the foreign trader in the handling of his transactions.

The following **Revised American Foreign Trade Definitions—1941** are recommended for general use by both exporters and importers. These revised definitions have no status at law unless there is specific legislation providing for them, or unless they are confirmed by court decisions. Hence, it is suggested that sellers and buyers agree to their acceptance as part of the contract of sale. These revised definitions will then become legally binding upon all parties.

In view of changes in practice and procedure since 1919, certain new responsibilities for sellers and buyers are included in these revised definitions. Also, in many instances, the old responsibilities are more clearly defined than in the 1919 Definitions, and the changes should be beneficial both to sellers and buyers. Widespread acceptance will lead to a greater standardization of foreign trade procedure, and to the avoidance of much misunderstanding.

Adoption by exporters and importers of these revised terms will impress on all parties concerned their respective responsibilities and rights.

General Notes of Caution

1. As foreign trade definitions have been issued by organizations in various parts of the world, and as the courts of countries have interpreted these definitions in different ways, it is important that sellers and buyers agree that their contracts are subject to the **Revised American Foreign Trade Definitions—1941** and that the various points listed are accepted by both parties.
2. In addition to the foreign trade terms listed herein, there are terms that are at times used, such as Free Harbor, C.I.F.&C. (Cost, Insurance, Freight, and Commission), C.I.F.C.&I. (Cost, Insurance, Freight, Commission, and Interest), C.I.F. Landed (Cost, Insurance, Freight, Landed), and others. None of these should be used unless there has first been a definite understanding as to the exact meaning thereof. It is

unwise to attempt to interpret other terms in the light of the terms given herein. Hence, whenever possible, one of the terms defined herein should be used.

3. It is unwise to use abbreviations in quotations or in contracts which might be subject to misunderstanding.
4. When making quotations, the familiar terms “hundredweight” or “ton” should be avoided. A hundredweight can be 100 pounds of the short ton, or 112 pounds of the long ton. A ton can be a short ton of 2,000 pounds, or a metric ton of 2,204.6 pounds, or a long ton of 2,240 pounds. Hence, the type of hundredweight or ton should be clearly stated in quotations and in sales confirmations. Also, all terms referring to quantity, weight, volume, length, or surface should be clearly defined and agreed upon.
5. If inspection, or certificate of inspection, is required, it should be agreed, in advance, whether the cost thereof is for account of seller or buyer.
6. Unless otherwise agreed upon, all expenses are for the account of seller up to the point at which the buyer must handle the subsequent movement of goods.
7. There are a number of elements in a contract that do not fall within the scope of these foreign trade definitions. Hence, no mention of these is made herein. Seller and buyer should agree to these separately when negotiating contracts. This particularly applies to so-called “customary” practices.

DEFINITIONS OF QUOTATIONS

(I) EX (Point of Origin)

**“EX FACTORY,” “EX MILL,” “EX MINE,”
“EX PLANTATION,” “EX WAREHOUSE,” etc. (named point of origin)**

Under this term, the price quoted applies only at the point of origin, and the seller agrees to place the goods at the disposal of the buyer at the agreed place on the date or within the period fixed.

Under this quotation:

Seller must:

- (1) bear all costs and risks of the goods until such time as the buyer is obliged to take delivery thereof;
- (2) render the buyer, at the buyer's request and expense, assistance in obtaining the documents issued in the country of origin, or of shipment, or of both, which the buyer may require either for purposes of exportation, or of importation at destination.

Buyer must:

- (1) take delivery of the goods as soon as they have been placed at his disposal at the agreed place on the date or within the period fixed;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) bear all costs and risks of the goods from the time when he is obligated to take delivery thereof;
- (4) pay all costs and charges incurred in obtaining the documents issued in the country of origin, or of shipment, or of both, which may be required either for purposes of exportation, or of importation at destination.

(II) F.O.B. (Free on Board)

NOTE: Seller and buyer should consider not only the definitions but also the “Comments on All F.O.B. Terms” given at end of this section (p. A-4) in order to understand fully their respective responsibilities and rights under the several classes of “F.O.B.” terms.

(II-A) “F.O.B. (named inland carrier at named inland point of departure)”¹

Under this term, the price quoted applies only at inland shipping point, and the seller arranges for loading of the goods on, or in, railway cars, trucks, lighters, barges, aircraft, or other conveyance furnished for transportation.

Under this quotation:

Seller must:

- (1) place goods on, or in, conveyance, or deliver to inland carrier for loading;
- (2) provide clean bill of lading or other transportation receipt, freight collect;
- (3) be responsible for any loss or damage, or both, until goods have been placed in, or on, conveyance at loading point, and clean bill of lading or other transportation receipt has been furnished by carrier;
- (4) render the buyer, at the buyer's request and expense, assistance in obtaining documents issued in the country of origin, or of shipment, or of both, which the buyer may require either for purposes of exportation or of importation at destination.

Buyer must:

- (1) be responsible for all movement of the goods from inland point of loading, and pay all transportation costs;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) be responsible for any loss or damage, or both, incurred after loading at named inland point of departure;
- (4) pay all costs and charges incurred in obtaining the documents issued in the country of origin, or of shipment, or of both, which may be required either for purposes of exportation, or of importation at destination.

(II-B) “F.O.B. (named inland carrier at named inland point of departure) FREIGHT PREPAID TO (name point of exportation)”¹

Under this term, the seller quotes a price including transportation charges to the named point of exportation and prepays freight to named point of exportation, without assuming responsibility for the goods after obtaining a clean bill of lading or other transportation receipt at named inland point of departure.

Under this quotation:

Seller must:

- (1) assume the seller’s obligations as under II-A, except that under (2) he must provide clean bill of lading or other transportation receipt, freight prepaid to named point of exportation.

Buyer must:

- (1) assume the same buyer’s obligations as under II-A, except that he does not pay freight from loading point to named point of exportation.

(II-C) “F.O.B. (named inland carrier at named inland point of departure) FREIGHT ALLOWED TO (named point)”¹

Under this term, the seller quotes a price including transportation charges to the named point, shipping freight collect and deducting the cost of transportation without assuming responsibility for the goods after obtaining a clean bill of lading or other transportation receipt at named inland point of departure.

Seller must:

- (1) assume the same seller’s obligations as under II-A, but deduct from his invoice the transportation cost to name point.

Buyer must:

- (1) assume the same buyer’s obligations as under II-A, including payment of freight from inland loading point to named point, for which seller has made deduction.

(II-D) “F.O.B. (named inland carrier at named point of exportation)”¹

Under this term, the seller quotes a price including the costs of transportation of the goods to named point of exportation, bearing any loss or damage, or both, incurred up to that point.

¹See Note (p. A-2) and Comments on all F.O.B. Terms (p. A-4).

Under this quotation:

Seller must:

- (1) place goods on, or in, conveyance, or deliver to inland carrier for loading;
- (2) provide clean bill of lading or other transportation receipt, paying all transportation costs from loading point to named point of exportation;
- (3) be responsible for any loss or damage, or both, until goods have arrived in, or on, inland conveyance at the named point of exportation;
- (4) render the buyer, at the buyer's request and expense, assistance in obtaining the documents issued in the country of origin, or of shipment, or of both, which the buyer may require either for purposes of exportation, or of importation at destination.

Buyer must:

- (1) be responsible for all movement of the goods from inland conveyance at named point of exportation;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) be responsible for any loss or damage, or both, incurred after goods have arrived in, or on, inland conveyance at the named point of exportation;
- (4) pay all costs and charges incurred in obtaining the documents issued in the country of origin, or of shipment, or of both, which may be required either for purposes of exportation, or of importation at destination.

(II-E) "F.O.B. VESSEL (named port of shipment)"

Under this term, the seller quotes a price covering all expenses up to, and including, delivery of the goods upon the overseas vessel provided by, or for, the buyer at the named port of shipment.

Under this quotation:

Seller must:

- (1) pay all charges incurred in placing goods actually on board the vessel designated and provided by, or for, the buyer on the date or within the period fixed;
- (2) provide clean ship's receipt or on-board bill of lading;
- (3) be responsible for any loss or damage, or both, until goods have been placed on board the vessel on the date or within the period fixed;
- (4) render the buyer, at the buyer's request and expense, assistance in obtaining the documents issued in the country of origin, or of shipment, or of both, which the buyer may require either for purposes of exportation, or of importation at destination.

Buyer must:

- (1) give seller adequate notice of name, sailing date, loading berth of, and delivery time to, the vessel;
- (2) bear the additional costs incurred and all risks of the goods from the time when the seller has placed them at his disposal if the vessel named by him fails to arrive or to load within the designated time;
- (3) handle all subsequent movement of the goods to destination:
 - (a) provide and pay for insurance;
 - (b) provide and pay for ocean and other transportation;
- (4) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (5) be responsible for any loss or damage, or both, after goods have been loaded on board the vessel;
- (6) pay all costs and charges incurred in obtaining the documents, other than clean ship's receipt or bill of lading, issued in the country of origin, or of shipment, or of both, which may be required for purposes of exportation, or of importation at destination.

(II-F) “F.O.B. (named inland point in country of importation)”¹

Under this term, the seller quotes a price including the cost of the merchandise and all costs of transportation to the named inland point in the country of importation.

Under this quotation:

Seller must:

- (1) provide and pay for all transportation to the named inland point in the country of importation;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) provide and pay for marine insurance;
- (4) provide and pay for war risk insurance, unless otherwise agreed upon between the seller and buyer;
- (5) be responsible for any loss or damage, or both, until arrival of goods on conveyance at the named inland point in the country of importation;
- (6) pay the costs of certificates of origin, consular invoices, or any other documents issued in the country of origin, or of shipment, or of both, which the buyer may require for the importation of goods into the country of destination and, where necessary, for their passage in transit through another country;
- (7) pay all costs of landing, including wharfage, landing charges, and taxes, if any;
- (8) pay all costs of customs entry in the country of importation;
- (9) pay customs duties and all taxes applicable to imports, if any, in the country of importation.

NOTE: *The seller under this quotation must realize that he is accepting important responsibilities, costs, and risks, and should therefore be certain to obtain adequate insurance. On the other hand, the importer or buyer may desire such quotations to relieve him of the risks of the voyage and to assure him of his landed costs at inland point in country of importation. When competition is keen, or the buyer is accustomed to such quotations from other sellers, seller may quote such terms, being careful to protect himself in an appropriate manner.*

Buyer must:

- (1) take prompt delivery of goods from conveyance upon arrival at destination;
- (2) bear any costs and be responsible for all loss or damage, or both, after arrival at destination.

Comments On All F.O.B. Terms

In connection with F.O.B. terms, the following points of caution are recommended:

1. The method of inland transportation such as trucks, railroad cars, lighters, barges, or aircraft should be specified.
2. If any switching charges are involved during the inland transportation, it should be agreed, in advance, whether these charges are for account of the seller or the buyer.
3. The term “F.O.B. (named port),” without designating the exact point at which the liability of the seller terminates and the liability of the buyer begins, should be avoided. The use of this term gives rise to disputes as to the liability of the seller or the buyer in the event of loss or damage arising while the goods are in port, and before delivery to or on board the ocean carrier. Misunderstandings may be avoided by naming the specific point of delivery.
4. If lighterage or trucking is required in the transfer of goods from the inland conveyance to ship’s side, and there is a cost therefor, it should be understood, in advance, whether this cost is for account of the seller or the buyer.
5. The seller should be certain to notify the buyer of the minimum quantity required to obtain a carload, a truckload, or a barge-load freight rate.

6. Under F.O.B. terms, excepting “F.O.B. (named inland point in country of importation),” the obligation to obtain ocean freight space, and marine and war risk insurance, rests with the buyer. Despite this obligation on the part of the buyer, in many trades the seller obtains the ocean freight space, and marine and war risk insurance, and provides for shipment on behalf of the buyer. Hence, seller and buyer must have an understanding as to whether the buyer will obtain the ocean freight space, and marine and war risk insurance, as is his obligation, or whether the seller agrees to do this for the buyer.
7. For the seller’s protection, he should provide in his contract of sale that marine insurance obtained by the buyer include standard warehouse to warehouse coverage.

(III) F.A.S. (Free Along Side)

NOTE: *Seller and buyer should consider not only the definitions but also the “Comments” given at end of this section (p. A-7) in order to understand fully their respective responsibilities and rights under “F.A.S.” terms.*

“F.A.S. VESSEL (named port of shipment)”

Under this term, the seller quotes a price including delivery of the goods alongside overseas vessel and within reach of its loading tackle.

Under this quotation:

Seller must:

- (1) place goods alongside vessel or on dock designated and provided by, or for, buyer on the date or within the period fixed; pay any heavy lift charges, where necessary, up to this point;
- (2) provide clean dock or ship’s receipt;
- (3) be responsible for any loss or damage, or both, until goods have been delivered alongside the vessel or on the dock;
- (4) render the buyer, at the buyer’s request and expense, assistance in obtaining the documents issued in the country of origin, or of shipment, or of both, which the buyer may require either for purposes of exportation, or of importation at destination.

Buyer must:

- (1) give seller adequate notice of name, sailing date, loading berth of, and delivery time to, the vessel;
- (2) handle all subsequent movement of the goods from alongside the vessel:
 - (a) arrange and pay for demurrage or storage charges, or both, in warehouse or on wharf, where necessary;
 - (b) provide and pay for insurance;
 - (c) provide and pay for ocean and other transportation;
- (3) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (4) be responsible for any loss or damage, or both, while the goods are on a lighter or other conveyance alongside vessel within reach of its loading tackle, or on the dock awaiting loading, or until actually loaded on board the vessel, and subsequent thereto;
- (5) pay all costs and charges incurred in obtaining the documents, other than clean dock or ship’s receipt, issued in the country of origin, or of shipment, or of both, which may be required either for purposes of exportation, or of importation at destination.

F.A.S. Comments

1. Under F.A.S. terms, the obligation to obtain ocean freight space, and marine and war risk insurance, rests with the buyer. Despite this obligation on the part of the buyer, in many trades the seller obtains ocean freight space, and marine and war risk insurance, and provides for shipment on behalf of the buyer. In others, the buyer notifies the seller to make delivery alongside a vessel designated by the buyer and the buyer provides his own marine and war risk insurance. Hence, seller and buyer must have an understanding as to whether the buyer will obtain the ocean freight space, and marine and war risk insurance, as is his obligation, or whether the seller agrees to do this for the buyer.
2. For the seller's protection, he should provide in his contract of sale that marine insurance obtained by the buyer include standard warehouse to warehouse coverage.

(IV) C. & F. (Cost and Freight)

NOTE: Seller and buyer should consider not only the definitions but also the "Comments" (p. A-6) at end of this section in order to understand fully their respective responsibilities and rights under "C. & F." terms.

"C. & F. (named point of destination)"

Under this term, the seller quotes a price including the cost of transportation to the named point of destination.

Under this quotation:

Seller must:

- (1) provide and pay for transportation to named point of destination;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) obtain and dispatch promptly to buyer, or his agent, clean bill of lading to named point of destination;
- (4) where received-for-shipment ocean bill of lading may be tendered, be responsible for any loss or damage, or both, until the goods have been delivered into the custody of the ocean carrier;
- (5) where on-board ocean bill of lading is required, be responsible for any loss or damage, or both, until the goods have been delivered on board the vessel;
- (6) provide, at the buyer's request and expense, certificates of origin, consular invoices, or any other documents issued in the country of origin, or of shipment, or of both, which the buyer may require for importation of goods into country of destination and, where necessary, for their passage in transit through another country.

Buyer must:

- (1) accept the documents when presented;
- (2) receive goods upon arrival, handle and pay for all subsequent movement of the goods, including taking delivery from vessel in accordance with bill of lading clauses and terms; pay all costs of landing, including any duties, taxes, and other expenses at named point of destination;
- (3) provide and pay for insurance;
- (4) be responsible for loss of or damage to goods, or both, from time and place at which seller's obligations under (4) or (5) above have ceased;
- (5) pay the costs of certificates of origin, consular invoices, or any other documents issued in the country of origin, or of shipment, or of both, which may be required for the importation of goods into the country of destination and, where necessary, for their passage in transit through another country.

C. & F. Comments

1. For the seller's protection, he should provide in his contract of sale that marine insurance obtained by the buyer include standard warehouse to warehouse coverage.
2. The comments listed under the following C.I.F. terms in many cases apply to C.&F. terms as well, and should be read and understood by the C.&F. seller and buyer.

(V) C.I.F. (Cost, Insurance, Freight)

NOTE: *Seller and buyer should consider not only the definitions but also the "C.&F. Comments" (p. A-6) and the "C.&F. and C.I.F. Comments" (pp. A-6, A-7) in order to understand fully their respective responsibilities and rights under "C.I.F." terms.*

"C.I.F. (named point of destination)"

Under this term, the seller quotes a price including the cost of the goods, the marine insurance, and all transportation charges to the named point of destination.

Under this quotation:

Seller must:

- (1) provide and pay for transportation to named point of destination;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) provide and pay for marine insurance;
- (4) provide war risk insurance as obtainable in seller's market at time of shipment at buyer's expense, unless seller has agreed that buyer provide for war risk coverage (See Comment 10(c), p. 99);
- (5) obtain and dispatch promptly to buyer, or his agent, clean bill of lading to named point of destination, and also insurance policy or negotiable insurance certificate;
- (6) where received-for-shipment ocean bill of lading may be tendered, be responsible for any loss or damage, or both, until the goods have been delivered into the custody of the ocean carrier;
- (7) where on-board ocean bill of lading is required, be responsible for any loss or damage, or both, until the goods have been delivered on board the vessel;
- (8) provide, at the buyer's request and expense, certificates of origin, consular invoices, or any other documents issued in the country of origin, or of shipment, or both, which the buyer may require for importation of goods into country of destination and, where necessary, for their passage in transit through another country.

Buyer must:

- (1) accept the documents when presented;
- (2) receive the goods upon arrival, handle and pay for all subsequent movement of the goods, including taking delivery from vessel in accordance with bill of lading clauses and terms; pay all costs of landing, including any duties, taxes, and other expenses at named point of destination;
- (3) pay for war risk insurance provided by seller;
- (4) be responsible for loss of or damage to goods, or both, from time and place at which seller's obligations under (6) or (7) above have ceased;
- (5) pay the costs of certificates of origin, consular invoices, or any other documents issued in the country of origin, or of shipment, or both, which may be required for the importation of the goods into the country of destination and, where necessary, for their passage in transit through another country.

C.&F. and C.I.F. Comments

Under C.&F. and C.I.F. contracts there are the following points on which the seller and the buyer should be in complete agreement at the time that the contract is concluded:

1. It should be agreed upon, in advance, who is to pay for miscellaneous expenses, such as weighing or inspection charges.
2. The quantity to be shipped on any one vessel should be agreed upon, in advance, with a view to the buyer's capacity to take delivery upon arrival and discharge of the vessel, within the free time allowed at the port of importation.
3. Although the terms C.&F. and C.I.F. are generally interpreted to provide that charges for consular invoices and certificates of origin are for the account of the buyer, and are charged separately, in many trades these charges are included by the seller in his price. Hence, seller and buyer should agree, in advance, whether these charges are part of the selling price, or will be invoiced separately.
4. The point of final destination should be definitely known in the event the vessel discharges at a port other than the actual destination of the goods.
5. When ocean freight space is difficult to obtain, or forward freight contracts cannot be made at firm rates, it is advisable that sales contracts, as an exception to regular C.&F. or C.I.F. terms, should provide that shipment within the contract period be subject to ocean freight space being available to the seller, and should also provide that changes in the cost of ocean transportation between the time of sale and the time of shipment be for account of the buyer.
6. Normally, the seller is obligated to prepay the ocean freight. In some instances, shipments are made freight collect, and the amount of the freight is deducted from the invoice rendered by the seller. It is necessary to be in agreement on this, in advance, in order to avoid misunderstanding which arises from foreign exchange fluctuations which might affect the actual cost of transportation, and from interest charges which might accrue under letter of credit financing. Hence, the seller should always prepay the ocean freight unless he has a specific agreement with the buyer, in advance, that goods can be shipped freight collect.
7. The buyer should recognize that he does not have the right to insist on inspection of goods prior to accepting the documents. The buyer should not refuse to take delivery of goods on account of delay in the receipt of documents, provided the seller has used due diligence in their dispatch through the regular channels.
8. Seller and buyers are advised against including in a C.I.F. contract any indefinite clause at variance with the obligations of a C.I.F. contract as specified in these Definitions. There have been numerous court decisions in the United States and other countries invalidating C.I.F. contracts because of the inclusion of indefinite clauses.
9. Interest charges should be included in cost computations and should not be charged as a separate item in C.I.F. contracts, unless otherwise agreed upon, in advance, between the seller and buyer, in which case, however, the term C.I.F. and I. (Cost, Insurance, Freight, and Interest) should be used.
10. In connection with insurance under C.I.F. sales, it is necessary that seller and buyer be definitely in accord upon the following points:
 - (a) The character of the marine insurance should be agreed upon insofar as being W.A. (With Average) or F.P.A. (Free of Particular Average), as well as any other special risks that are covered in specific trades, or against which the buyer may wish individual protection. Among the special risks that should be considered and agreed upon between seller and buyer are theft, pilferage, leakage, breakage, sweat, contact with other cargoes, and others peculiar to any particular trade. It is important that contingent or collect freight and customs duty should be insured to cover Particular Average losses, as well as total loss after arrival and entry but before delivery.
 - (b) The seller is obligated to exercise ordinary care and diligence in selecting an underwriter that is in good financial standing. However, the risk of obtaining settlement of insurance claims rests with the buyer.

- (c) War risk insurance under this term is to be obtained by the seller at the expense and risk of the buyer. It is important that the seller be in definite accord with the buyer on this point, particularly as to the cost. It is desirable that the goods be insured against both marine and war risk with the same underwriter, so that there can be no difficulty arising from the determination of the cause of the loss.
- (d) Seller should make certain that in his marine or war risk insurance, there be included the standard protection against strikes, riots and civil commotions.
- (e) Seller and buyer should be in accord as to the insured valuation, bearing in mind that merchandise contributes in General Average on certain bases of valuation which differ in various trades. It is desirable that a competent insurance broker be consulted, in order that full value be covered and trouble avoided.

(VI) Ex Dock

NOTE: *Seller and buyer should consider not only the definitions but also the “Ex Dock Comments” at end of this section (p. A-8) in order to understand fully their respective responsibilities and rights under “Ex Dock” terms.*

“EX DOCK (named port of importation)”

Under this term, seller quotes a price including the cost of the goods and all additional costs necessary to place the goods on the dock at the named port of importation, duty paid, if any.

Under this quotation:

Seller must:

- (1) provide and pay for transportation to named point of importation;
- (2) pay export taxes, or other fees or charges, if any, levied because of exportation;
- (3) provide and pay for marine insurance;
- (4) provide and pay for war risk insurance, unless otherwise agreed upon between the buyer and seller;
- (5) be responsible for any loss or damage, or both, until the expiration of the free time allowed on the dock at the named port of importation;
- (6) pay the costs of certificates of origin, consular invoices, legalization of bill of lading, or any other documents issued in the country of origin, or of shipment, or of both, which the buyer may require for importation of goods into the country of destination and, where necessary, for their passage in transit through another country;
- (7) pay all costs of landing, including wharfage, landing charges, and taxes if any;
- (8) pay all costs of customs entry in the country of importation;
- (9) pay customs duties and all taxes applicable to imports, if any, in the country of importation, unless otherwise agreed upon.

Buyer must:

- (1) take delivery of the goods on the dock at the named port of importation within the free time allowed;
- (2) bear the cost and risk of the goods if delivery is not taken within the free time allowed.

Ex Dock Comments

This term is used principally in United States import trade. It has various modifications, such as “Ex Quay,” “Ex Pier,” etc., but it is seldom, if ever, used in American export practice. Its use in quotations for export is not recommended.