A **marine loss** is a loss in quantity or quality of commodities that occurs between the time the B/L is issued to the shipping company and the time the shipping company turns over custody and control of the commodities to the Awardee (or the Awardee’s designated C&F agent), usually at the port. Marine losses may be discovered when the independent surveyor (as required) attends the discharge of the commodity from the ship, counts or weighs it, examines its condition, and produces a survey report.

An **inland loss** pertains to landlocked countries only, where commodities are received at a port in an intermediate country and then transported to the recipient country. Inland losses may include warehouse handling losses at the port of entry and losses that occur during transportation through the intermediate country to a designated point in the recipient country.

The main distinctions between a marine loss and an inland loss are the parties liable for the loss and the method of pursuing claims.

**For Marine Losses**

1. File a **Notice of Loss** (Letter of Protest) with the shipping company immediately upon discovery of any cargo loss or damage. This notice states that a loss has been determined and that the company is being held responsible. If damage of loss is greater than US$500, notify FFP/AOR.
2. Record the names and addresses of individuals who were present at the time of discharge and during the survey, who can verify the quantity lost or damaged.
3. If possible, document all losses on a Loss Report before any cargo is dispatched from the port. If unavoidable circumstances require that short-weight bags or containers be dispatched, state the quantity and reasons for dispatch on the dispatch waybill.
4. Determine whether a claim is justified against the shipping company. Consult regularly with the USAID mission to review the criteria currently being used to justify claim action. In general, a claim is required for all losses except when the following is true:

* The loss is caused by *force majeure*-events beyond the control of the responsible parties that could not have been avoided by the exercise of due care (such as a flash flood).
* The value of the loss is less than US$ 300, and failure to pursue the claim would not be detrimental to the program.

1. Prepare a claim letter (demand for restitution), and send it to shipping company. Send a copy of the claim letter to USDA/CCC. File one claim for loss or damage to commodities that are shipped on the **same voyage** of the **same vessel** to the **same port** destination, irrespective of the kinds of commodities shipped or the number of different bills of lading issued by the carrier.
2. Compute the monetary value of commodity loss claims.
3. Assign claim rights to USDA, which will pursue the claim. Failure to file a required claim or assign claim rights to USDA may leave the Awardee liable to FFP for the cost and freight value of the commodity in question.
4. To the extent practicable, submit all documents concerning the cargo loss or damage as a package to your headquarters (for onward submission to USDA) as soon as all such documents are available. In all cases, submit whatever documentation has been obtained within **three months of completion of the discharge survey**. If documentation is not complete as of this date, advise headquarters of the missing documents and reason(s) for the delay.

* Even if no claim will be filed, still send information and/or documentation on shipments to USDA/CCC.
* For all documents or correspondence prepared in a language other than English, submit also a literal, verbatim translation in English.
* Documents that should be submitted include the following:
* **Notice of Loss** (letter of protest)
* **Discharge Survey Repor**t
* Narrative chronology or other commentary of events surrounding the discharge of commodities (required where losses are in excess of US$5,000)
* Names and addresses of those attending the discharge and survey who can verify quantity lost or damaged
* Claim letter
* Booking confirmation and the applicable on-board Bill(s) of Lading
* Outturn reports (tally sheets of the surveyor), if available
* Short landing certificates signed by the port authority, if available
* Invoice, written waiver authorization, **Marine Reconstitution Costs Certificate**, or other documents for reimbursement of reconstitution costs, if applicable
* **Declaration of Unfit Food** or chemical analysis report issued by the port health official, a chemist, or an independent laboratory, if applicable
* **Certificate of Destruction**, disbursing officer's receipt for net proceeds of sale, and/or other documentation on disposal of unfit commodity, if applicable
* Invoice of survey fee
* Resolution of excess landed quantities

1. Retain all marine claims records for a full six years after settlement, or longer if required to do so by host country.