



## FOSFA Contractual Recognition of Draft Surveys – Technical and Commercial Perspective

### 1. Introduction

The Federation of Oils, Seeds and Fats Associations (FOSFA) plays a central role in regulating international trade of oilseeds, vegetable oils, meals, and related bulk commodities. Within this framework, Draft Surveys are contractually recognized as a legitimate and enforceable method for determining cargo quantity, provided that they are expressly agreed and properly executed.

Unlike prescriptive technical codes, FOSFA's approach emphasizes contractual intent, good commercial practice, and technical reasonableness, making Draft Survey acceptance highly dependent on methodology, documentation, and professional conduct.

### 2. Contractual Basis for Draft Surveys under FOSFA

#### 2.1 Recognition by Agreement

FOSFA contracts do not automatically impose Draft Survey as the method of weight determination. Instead, Draft Surveys are recognized when:

Explicitly stated in the contract, or mutually agreed by the parties as the final method of determination

This reflects FOSFA's fundamental principle of party autonomy.

Once agreed, the Draft Survey becomes contractually binding, subject to compliance with recognized maritime practice.

### 3. FOSFA's Concept of "Good Commercial Practice"

FOSFA places strong reliance on the concept of good commercial and maritime practice, rather than rigid procedural rules.

In the context of Draft Surveys, this implies:

- Use of qualified and experienced marine surveyors
- Application of recognized international standards (e.g. GAFTA, UK P&I, IACS)
- Transparent and reproducible calculations

**FOSFA arbitrators assess not only what was done, but how and why it was done.**

### 4. Technical Expectations in Draft Surveys Recognized by FOSFA

#### 4.1 Draft Readings

FOSFA-accepted practice requires:

- Readings at forward, midship, and aft draft marks
- Measurements on both port and starboard sides
- Averaging to correct for list
- Stable conditions with minimal vessel movement
- Failure to control list and trim is frequently cited in FOSFA disputes.



## 4.2 Trim and Hydrostatic Corrections

FOSFA recognizes:

- Use of vessel-specific hydrostatic tables
- Correction to even keel using LCF and MTC data
- Linear interpolation between tabulated values

**Arbitrators expect surveyors to demonstrate a clear understanding of hydrostatic principles, not merely numerical compliance.**

## 4.3 Water Density Determination

Water density is considered a critical variable under FOSFA-recognized Draft Surveys.

Accepted practice includes:

- Sampling at the vessel's location
- Multiple measurements where stratification is possible
- Proper calibration of hydrometers or density meters

**Incorrect or assumed density values are among the most common reasons for rejection.**

## 5. Measurement of Variable Weights

FOSFA expects that all non-cargo weights influencing displacement are:

- Physically measured
- Converted from volume to mass using correct densities
- Fully documented
- This includes:
  - Ballast water
  - Fuel and diesel oil
  - Fresh water
  - Lubricating oils
  - Slops and residues

**Estimates or assumptions, unless contractually permitted, significantly weaken evidentiary value.**

## 6. Ship's Constant under FOSFA Practice

### 6.1 Definition and Purpose

The ship's constant represents unmeasured fixed weights such as:

- Structural additions
- Coatings
- Residual sediments

### Permanent fittings

### 6.2 FOSFA Treatment

- While FOSFA does not prescribe numerical limits, arbitrators expect:
- Consistency of the constant between surveys
- Logical explanation for variations
- Correlation with vessel condition and operation
- Unexplained fluctuations are frequently interpreted as methodological error

## 7. Documentation and Transparency

Under FOSFA, documentation is not merely supportive—it is determinative.

Accepted reports typically include:

- Detailed draft reading sheets
- Density sampling records
- Tank sounding logs
- Step-by-step calculations
- Surveyor's narrative and observations

**In arbitration, a well-documented survey often prevails over a poorly documented but technically similar one.**



## 8. Role of Surveyor Conduct in FOSFA Disputes

FOSFA arbitrators pay close attention to:

- Surveyor independence
- Professional demeanor
- Willingness to explain and justify methodology

**Surveys conducted in a confrontational or opaque manner are often given reduced weight.**

## 9. FOSFA Draft Surveys in Arbitration Proceedings

In arbitration, Draft Surveys are assessed based on:

- Contractual compliance
- Technical soundness
- Adherence to recognized industry practice

FOSFA tribunals frequently compare competing surveys and favor the one demonstrating:

- Logical consistency
- Minimal assumptions
- Clear audit trail

**The burden of proof rests on the party relying on the Draft Survey.**

## 10. Relationship with Other International Standards

FOSFA-recognized Draft Surveys commonly align with:

- GAFTA Survey Rules No.124
- UK P&I Club Code of Practice
- IACS recommendations
- While FOSFA does not mandate these standards, alignment significantly enhances credibility.

## 11. Practical Implications for Traders and Surveyors

For traders:

- Explicitly define Draft Survey methodology in contracts
- Appoint independent surveyors
- Require full disclosure of calculations
- For surveyors:
- Apply naval architecture principles rigorously
- Avoid assumptions and shortcuts
- Prepare reports with arbitration in mind

## 12. Conclusion

FOSFA's contractual recognition of Draft Surveys reflects a pragmatic balance between technical precision and commercial reality. Rather than prescribing rigid procedures, FOSFA relies on professional competence, transparency, and good maritime practice.

A Draft Survey conducted in accordance with these principles is not merely a technical exercise—it is a commercial instrument with legal consequence.

**For professionals operating under FOSFA contracts, a technically robust Draft Survey is both a safeguard and a strategic asset.**