



Credit Research Foundation Export Glossary

A -	
Admiralty	The court having jurisdiction over questions of maritime law; the system of law administered by admiralty courts.
Affidavit	A written declaration under oath made before an authorized official.
Agrarian	Promoting agrarian interests.
Ad valorem	According to value.
Ad valorem duty	A duty expressed as a fixed percentage of value.
Agriculture	The production, processing, and distribution of food, fish, forest products, and fiber.
Agricultural trade office (ATO)	The U.S. Agricultural Trade Act of 1978 directed the establishment of trade offices in major centers of commerce throughout the world. Agricultural trade offices work to develop, maintain, and expand international markets for U.S. agricultural commodities by serving as centers for export sales promotions and contact points for importers seeking to buy farm products from the United States.
Air waybill	A bill of lading that covers both domestic and international air transport of goods to a specified destination. This is a non-negotiable instrument of air transport that serves as a receipt for the shipper, indicating that the carrier has accepted the goods listed and obligates itself to carry the consignment to the airport of destination according to specified conditions.
Alongside	A phrase referring to the side of a ship. Goods to be delivered "alongside" are to be placed on the dock or barge within reach of the transport ship's tackle so that they can be loaded aboard the ship.
Antitrust	Consisting of laws to protect trade and commerce from unlawful restraints and monopolies or unfair business practice.
APHIS	Animal & Plant Health Inspection Service, an agency of the U.S. Department of Agriculture which issues phytosanitary inspection certificates required for exporting many products.
Arbitrary	Depending on individual discretion and not fixed by law; existing or coming about seemingly at random or by chance or as a whimsical and unreasonable act of will.
Asset	The total resources of a person or business, as cash, notes and accounts receivable, securities, goodwill, or real estate (as opposed to liability).
Attache	A diplomatic official or a military officer assigned to an embassy or mission/post in a foreign country, especially in a technical capacity. Diplomats specializing in agriculture are called AgCounselor, AgAttach, and Ag Trade Officer (ATO).
- B -	
BAF (bunker adjustment factor)	An ancillary charge assessed by carriers on some ocean container freight shipments to account for fluctuation in fuel cost.

Barratry	An act committed by the master or mariners of a vessel, for some unlawful or fraudulent purpose, contrary to their duty to the owners, whereby the latter sustain injury. It may include negligence, if so gross as to evidence fraud.
Barter	To trade one commodity for another, without using money.
Beneficiary	The person, group, or company designated to receive payments.
Bill of lading	A document that establishes the terms of a contract between a shipper and a transportation company under which freight is to be moved between specified points for a specified charge. Usually prepared by the shipper on forms issued by the carrier, it serves as a document of title, a contract of carriage, and a receipt for goods.
Bonded warehouse	A warehouse authorized by Customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.
Booking	An arrangement with a steamship company for the acceptance and carriage of freight.
Boycott	Absolute restriction against the purchase and importation of certain goods from other countries.
Branded Program	The Branded Program is a component of the Market Access Program (MAP) for brand-name products. This program assists U.S. producers of high-value food and agricultural products by providing matching funds for export promotional activities.
- C -	
Cabotage	Refers to the required use of domestic carriers for shipments in U.S. coastal waters.
CAF (currency adjustment factor)	An ancillary charge on some ocean freight shipments, expressed as a percentage of a base rate, to compensate ocean carriers for fluctuations in the value of the U.S. dollar against foreign currencies.
Capital	The wealth, as in money or property, available to be invested in a business.
Cargo	The load of goods carried by a ship, airplane, and so forth.
Carrier	The company that transports goods from one point to another. May be a vessel, airline, trucking company, or railroad.
Certificate of inspection	A document certifying that merchandise (such as perishable goods) was in good condition immediately prior to its shipment.
Certificate of insurance	A document stating that insurance is in effect.
Certificate of origin	A document, required by certain foreign countries for tariff purposes, certifying the country of origin of specified goods.
CFR (cost and freight)	A pricing term indicating that the cost of the goods and freight charges are included in the quoted price. The buyer arranges for and pays insurance.
CFS (container freight station)	A carrier facility where less-than-containerload shipments are consolidated for shipment or unloaded for final delivery.

Chargeable weight	The weight used to determine air-freight charges. The chargeable weight may be the dimensional weight, or for container shipments, the gross weight of the shipment less the tare weight of the container.
C & I (cost and insurance)	A pricing term indicating that the cost of the product and insurance is included in the quoted price. The buyer is responsible for freight to the named port of destination.
CIF (cost, insurance, and freight)	A pricing term indicating that the cost of the goods, insurance, and freight is included in the quoted price.
Claim agent	An overseas representative of the insurance company.
Commercial invoice	An itemized list of goods shipped, usually included among an exporter's collection papers. The commercial invoice is used by the importing country to value the shipment for classification and duty purposes.
Commodities	Any product traded or sold.
Common carrier	An individual, partnership, or corporation that transports persons or goods for compensation.
Comparative Terms	Adjectives or adverbs used to show an increase in quality, quantity, or intensity, such as best, better, most, or more.
Confirmed letter of credit	A letter of credit, issued by a foreign bank, with validity confirmed by a U.S. bank. When confirmed, the U.S. bank undertakes responsibility for payment even if the foreign buyer or bank defaults.
Consignee	The person or firm to whom something is sold or shipped. Buyer or importer.
Consignment	Property sent to an agent for sale. The reseller pays only for what is sold and may return anything unsold.
Consignor	The person or firm from whom the goods have been received for shipment; the seller, shipper, or exporter.
Consular fee	A payment charged by a consular officer in an exporting country for certifying that an invoice for merchandise is correct.
Consular invoice	A document, required by some foreign countries, describing a shipment of goods and showing information, such as the consignor, consignee, and value of the shipment. Certified by a consular official of the foreign country, it is used by the country's customs officials to verify the value, quantity, and nature of the shipment.
Consumer	The person who personally uses or consumes a good or service.
Container	A uniform, sealed, reusable metal "box" (generally 40 feet in length, able to hold about 40,000 pounds) in which goods are shipped by vessel or rail. The use of containers (or containerization) in trade is generally thought to require less labor and reduce losses due to breakage, spoilage, and pilferage than more traditional shipment methods.
Container ship	A ship specially constructed to handle containerized cargo.

Contingency insurance	When a product is sold under terms that require the buyer to provide insurance coverage, the seller may elect to purchase "backup insurance" in case the coverage provided by the buyer is not sufficient to cover the value of the shipment.
Convertible currency	The currency of a nation that may be exchanged for that of another nation without restriction. Also referred to as hard currency.
Credit risk insurance	Insurance designed to cover risks of nonpayment for delivered goods.
Customhouse broker	An individual or firm licensed to enter and clear goods through Customs.
Customs	The authorities designated to collect duties levied by a country on imports and exports. The term also applies to the procedures involved in such collection.
Customs classification	A detailed classification, coding system, and description of goods that enter into international trade. Used by customs officials as a guide to determine which tariff rate applies to a particular import item.
Customs valuation	The determination of the value of imported goods for the purpose of collecting ad valorem duties. Made by customs officials, based on the declared value of the goods.
CY (container yard)	A carrier facility where full containers are held.
- D -	
Debarkation	Usually "Point of Debarkation," which is the point where goods are finally unloaded.
Debit	Remove money from a bank account. In this instance, transfer payment from the importer's account to the exporter's account.
Demurrage	A surcharge assessed by steamship lines and railroads for storage at their port facility longer than the allotted "free time."
Destination control statement	Any of the various statements that the U.S. Government requires to be displayed on export shipments and that specify the destinations for which export of the shipment has been authorized.
Dock receipt	A receipt issued by an ocean carrier to acknowledge receipt of a shipment at the carrier's dock or warehouse facilities.
Domestic	Within your own country.
- E -	
Endorsement	To express approval or support of; to write (something) on the back of a document or paper.
Enterprise	A company organized for commercial purposes.

European Union	An institutional framework for the construction of a united Europe—economically, legislatively, judicially, and socially. It includes the countries of Belgium, France, Italy, Luxembourg, Netherlands, United Kingdom, Ireland, Denmark, Greece, Spain, Portugal, Germany, Austria, Finland, and Sweden.
Exchange rate	The ratio of prices at which the currencies of nations are exchanged.
Exchange restrictions	Official limitations on the buying and selling of a nation's currency.
Export	Having to do with the shipment of commodities to other countries.
Export declaration	A form filed by an exporter or an exporter's agent, which states the content of goods being exported. Used for the compilation of export statistics and as an export control document.
Export license	A Government document that permits the "licensee" to engage in the export of designated goods to certain destinations.
- F -	
FAF (fuel adjustment factor)	An ancillary charge on some ocean freight shipments to account for fluctuation in fuel costs. Also referred to as BAF or bunker adjustment factor.
FAS	Foreign Agricultural Service, an agency of the U.S. Department of Agriculture who's mission is to promote and protect U.S. food, fish, forest, and fiber products internationally.
FAS (free alongside)	A pricing term indicating that the quoted price includes the cost of delivering the goods alongside a designated vessel.
FCL (full container load)	Shipment of a full container.
FEU (40-foot-equivalent unit)	Commonly describes a 40-foot container.
FOB (free on board)	A pricing term indicating that the quoted price includes the cost of loading the goods into transport vessels at the specified place.
Force majeure	The title of a standard clause in marine contracts exempting the parties for nonfulfillment of their obligations as a result of conditions beyond their control, such as earthquakes, floods, or war.
Foreign Agricultural Service (FAS)	The USDA agency responsible for facilitating exports of U.S. agricultural goods. Maintains a global network of agricultural officers as well as a Washington-based staff to analyze and disseminate information on world agriculture and trade, develop and expand export markets, and represent the agricultural trade policy interests of U.S. producers in multilateral forums. Also administers USDA's export credit and concessional sales programs.
Foreign exchange controls	Government limitations or restrictions on the use of certain types of currency, bank drafts, or other means of payment in order to regulate imports, exports, and the balance of payments.

Franchising	The right or license granted to an individual or group to market a company's goods or services in a particular territory.
Freight forwarder	An independent business that handles export shipments for compensation.
- G -	
General export license	Any of various export licenses covering export commodities for which validated export licenses are not required. No formal application or written authorization is needed to ship exports under a general export license.
Gross domestic product (GDP)	A measure of the market value of goods and services produced by the labor and property of a nation. Unlike gross national product, GDP excludes receipts from that nation's business operations in foreign countries, as well as the share of reinvested earnings in foreign affiliates of domestic corporations.
Gross national product (GNP)	A measure of the market value of goods and services produced by the labor and property of a nation. Includes receipts from that nation's business operations in foreign countries, as well as the share of reinvested earnings in foreign affiliates of domestic corporations.
Gross weight	The full weight of a shipment, including goods and packaging.
- H -	
Harbor tax	A tax paid quarterly by exporters to U.S. customs based on a percentage of their total value of exports.
Harmonized system (HS)	The international classification system for goods used by most major trading countries for tariff classification, trade statistics, and transport documentation. Officially known as the Harmonized Commodity Description and Coding System.
- I -	
Import	Having to do with bringing commodities in from a foreign country.
Import license	A document required and issued by some national governments for the importation of goods into their country.
Inconvertible currency	A currency that may not be exchanged without restrictions for another currency.
Independent action	When an ocean shipping conference member carrier sets a tariff for a rate or service that is different from the established conference tariff.
Inflation	An increase in the volume of money and credit relative to available goods and services resulting in a continuing rise in the general price level.
Infrastructure	The basic facilities serving an area: transportation and communication systems, power plants, and roads.

Inland bill of lading	A bill of lading used in transporting goods overland to the exporter's international carrier. Although a through bill of lading can sometimes be used, it is usually necessary to prepare both an inland bill of lading and an ocean bill of lading for export shipments.
Intermediary	An agent or agency situated between two persons or parties; a go-between or mediator.
Intermodal	Pertaining to transportation involving more than one form of carrier, such as truck, ship, and rail.
Inward charges	Charges incurred by a ship or cargo when entering a port.
IPI (interior points intermodal)	A term used by ocean carriers to describe a door-to-door delivery service. Ocean carriers frequently quote rates on an IPI basis.
- J -	
Jurisdiction	The power, right, or authority to interpret and apply the law and to exercise authority; the limits or territory within which authority may be exercised; and the authority of a sovereign power to govern or legislate.
- K -	
Keelage	A duty charged for permitting a ship to enter and anchor in a port or harbor.
- L -	
Landing charges	The initial charges for landing imported goods, such as those for receiving goods from dockside vessels or from barges to lighters. They may also cover wharfage or delivery from the dock to land conveyance or a warehouse.
Less than containerload (LCL)	A quantity of product/commodity less than the amount needed to completely fill a container.
Levy	To impose a tax, fine, or other penalty.
Liability	The sum total of all debt or monetary obligations (opposed to assets); something disadvantageous.
Licensing	Permission granted by a competent authority to engage in a business or occupation; legal right to use a patent owned by another.
Liner conference	An agreement among carriers that regularly serve a particular trade route to establish freight rates and service levels.
Liner discharge	Payment by the shipowner for unloading cargo, including stevedore wages.
- M -	
Manifest	A list of passengers or an invoice of cargo.

MAP	Market Access Program uses funds from USDA/FAS to help U.S. producers, exporters, private companies, and other trade organizations finance promotional activities for U.S. agricultural products.
Marine insurance	Insurance that compensates the owner of goods transported overseas in the event of loss that cannot be legally recovered from the carrier. Also covers air shipments.
Maritime	Of, relating to, or bordering on the sea or relating to navigation or commerce on the sea.
Marking	Letters, numbers, and other symbols placed on cargo packages to facilitate identification.
Monopoly	The exclusive control of a commodity or service that makes possible the manipulation of prices.
- N -	
Niche	A distinct segment of a market.
Nontariff barrier (NTB)	Any restriction, charge, or policy, other than traditional customs duties, which limits the access of imported goods. May result from government or private sector actions. Examples include quotas, licensing, domestic support programs, labeling and health standards, and exclusive business practices.
NVOCC (non-vessel operating common carrier)	Cargo consolidator of small shipments in ocean trade, generally arranging for, or performing, containerization functions at the port.
- O -	
Open insurance policy	A marine insurance policy that applies to all shipments made by an exporter over a period of time rather than to one shipment only.
- P -	
Package cargo	Cargo in boxes, barrels, crates, bales, or other containers, as opposed to bulk or loose cargo.
Pallet	A small wooden platform on which cargo is stored for ease of loading and unloading. Cargo shipped on pallets is referred to as palletized cargo.
Patents	The exclusive right granted to an inventor to manufacture or sell an invention for a specified number of years.
Perils of the sea	A marine insurance term used to designate heavy weather, stranding, lightning, collision, and sea water damage.
Pesticide	Agent to destroy animals or plants detrimental to humans or human concerns.

Phytosanitary inspection certificate	A certificate, issued by the U.S. Department of Agriculture, Animal and Plant Health Inspection Service, to satisfy import regulations for foreign countries, indicating that a U.S. shipment has been inspected and is free from harmful pests and plant diseases.
Port authority	The entity whose duty is to construct, manage, maintain, and improve a port. Ports may be administered by States, municipalities, statutory trusts, or private or corporate entities. Also known as harbor authority, harbor board, port trust, or port commission.
Port charges	Fees assessed against a vessel, cargo, and passengers while in port, including harbor dues, tariff charges, wharfage, towage, and so forth.
Procurement	To get possession of or obtain by particular care and effort.
Product	The final commodity or service provided for trade.
Pro forma invoice	An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and so forth).
Protectionist	Government economic protection for domestic producers through restrictions on foreign competitors.
- Q -	
Quotation	An offer to sell goods at a stated price and under specified conditions.
- R -	
Roll-on/Roll-off (Ro/Ro)	A term applied to ships that are outfitted so that vehicles or heavy machinery can be driven on or off without the use of special cranes.
- S -	
Schedule B	Refers to "Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States." All commodities exported from the United States must be assigned a ten-digit Schedule B number.
Sector	A distinct part of society or of a nation's economy.
SED	A Shipper's Exporter Declaration (SED) is a form which is often required prior to exporting a product.
Shipment	Freight tendered to a carrier by one consignor at one place for delivery to one consignee at one place on one bill of lading.
Shipper's export declaration	A form required by the U.S. Department of Commerce and the U.S. Customs Service for all shipments and prepared by a shipper, indicating the value, weight, destination, and other basic information about an export shipment.
Shipper's letter of instruction	Shipper's communication to their freight forwarder or carrier including all the detail of the shipment. This communication is used by the forwarder or carrier to complete the bill of lading and other shipping documents.

Ship's manifest	An instrument in writing, signed by the captain of a ship, that lists the individual shipments constituting the ship's cargo.
Sophistication	The level of knowledge the customer has of the market and products available both domestically and internationally.
SRTG	State Regional Trade Groups are private, non-profit international trade development organizations, which combine federal, state, and industry resources for export market development. SRTG's cooperate to utilize human and financial resources of state departments of agriculture with program and financial resources of the USDA's FAS to expand exports of high value agricultural products and to educate and assist companies in developing export markets.
Steamship conference	A group of steamship operators that collectively set rate and service levels in a specific geographic trade route.
Stevedore	A worker who loads and unloads ships.
Stowage	The loading of a vessel by handling and placing goods within the container so as to ensure stability of the container, maximum use of space, safety of cargo, and efficient loading and unloading. A description of each item and its disposition in the vessel after loading is contained in the ship's stowage plan.
Strategic	Essential to the conduct of a war, plan, or concept.
Subsidiary	A company wholly controlled by another.
- T -	
TAPO	Within FAS, the Trade Assistance and Promotion Office (TAPO) provides access to marketing information by country, product, and distribution method, and serves as the first point of contact for all FAS export programs and services
Tare weight	The weight of a container and packing materials without the weight of the goods it contains.
Tariff	A document issued by carriers or conferences that establish all rules, rates, and charges for the movement of goods.
Tariff quota	Application of a higher tariff rate to imported goods after a specified quantity of the item has entered the country at a lower level.
Tariff schedule	A list of articles or merchandise and the rate of duty to be paid to the government for their importation.
Tenets	A principle, belief, or doctrine generally held to be true; one held in common by members of an organization, movement, or profession.
TEU (20-foot-equivalent unit)	Commonly describes a 20-foot container.
Terminal handling charges	An ancillary charge on some ocean freight shipments to cover the cost of moving the container from the container yard to ocean vessel.
Trade	The act or business of buying, selling, or exchanging commodities.

Trademark	A device (such as a word) pointing distinctly to the origin or ownership of merchandise to which it is applied and legally reserved to the exclusive use of the owner as maker or seller.
Tradition	A long-established custom or practice that has the effect of an unwritten law.
Tramp steamer	A ship not operating on regular routes or schedules.
TVA (time volume agreement)	A contract between a carrier and shipper that usually specifies the movement of a certain number of containers over a period of time, usually 12 months.
- U -	
Urbanization	Taking on the characteristics of a city.
U.S. flag vessel	A merchant ship under U.S. registry.
- V -	
Validated	Officially sanctioned, confirmed, or approved.
Validated export license	A required document issued by the U.S. Government authorizing the export of specific commodities. This license is for a specific transaction or time period in which the exporting is to take place.
Value-added tax (VAT)	A tax assessed on the increased value of goods as they pass from the raw material stage through the production process to final consumption. The tax on processors or merchants is levied on the amount by which they increase the value of items they purchase.
- W -	
Warehouse receipt	A receipt issued by a warehouse listing goods received for storage.
Wharfage	A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.