Incoterms for Spice and Nut Buyers

FOB, CFR, CIF and DAP under Incoterms 2020

Page 1 shows what each term decides. Page 2 is a blank worksheet for comparing quotes on your own route.

1. What each term decides

Term	Main carriage arranged by	Insurance	Risk passes to buyer	Export clearance	Import clearance
FOB	Buyer	No duty on either party	On board vessel, port of shipment	Seller	Buyer
CFR	Seller	No duty on either party	On board vessel, port of shipment	Seller	Buyer
CIF	Seller	Seller; minimum cover, Institute Cargo Clauses (C), 110%	On board vessel, port of shipment	Seller	Buyer
DAP	Seller	No duty under the rule	At named place, ready for unloading	Seller	Buyer

FOB, CFR and CIF are written for sea and inland waterway transport. For containerized cargo the ICC points towards FCA, CPT or CIP, although FOB, CFR and CIF remain widely used in practice. Always write the term, the named place and the edition together, for example "FOB Karachi, Incoterms 2020". An Incoterm does not set the price, the payment terms or what happens if goods fail the agreed specification.

2. Cost-layers worksheet

Freight rates, transit times and insurance premiums change too often to print here, so this sheet is blank on purpose. Get a real quote for each term on your own route, enter each cost in its column, then compare the totals instead of the headline prices.

Cost layer	FOB	CFR	CIF	DAP
Inland haulage to port of shipment				
Export clearance				
Loading on board				
Main carriage (sea freight)				
Cargo insurance				
Unloading and port handling at destination				
Import clearance and duties				
Delivery to your warehouse				
Total				

Route: _____ Product and quantity: _____ Quote date: _____