

Common Shipping Terms



There's enough to focus on when managing a supply chain, without worrying about what each term and phrase means. So we've pulled together this glossary of shipping terms as an easy reference point.

Air Carrier

The airline that will physically move the cargo. For example: American Airlines, Air China, Polar Air.

Automated Manifest System (AMS)

The Automated Manifest System (AMS) was created by U.S. Customs to gather shipment information including cargo, detail, departure, arrival, and release information between ship carrier, air carrier, and rail carrier.

Arrival Date

The date the shipment arrives at your destination port.

Arrival Trucking

The trucking company that moves the shipment from your destination port to your warehouse.

Cargo

The articles, goods, materials, merchandise, etc — also known as 'freight' — that are moved by carriers.

Consignee

The party (usually a buyer) in transportation documents (bill of lading) that orders the cargo. The consignee is typically located where the cargo will ultimately be delivered, unless otherwise instructed. They are the owner of the cargo for the purpose of filing customs declaration and paying duties and taxes.

Consignor

A party (usually a shipper) in transportation documents (bill of lading) that made or sold the cargo.

Container

A single metal box used to hold the goods being shipped. Some common

types of containers used include dry storage, flat rack, open top, double doors, refrigerated, and insulated or thermal containers (among others)

Cubic Meter (CBM)

The unit measurement for a container's capacity. CBM is used to measure cargo space and weight.

Customs Bond

A Customs bond is a financial guarantee filed between three parties: the principal, the insurance/surety agent, and U.S. Customs. The bond's purpose is to make sure that all duties, taxes, and fees owed to the federal government will be taken care of.

U.S. Customs and Border Protection (CBP)

A U.S. government agency in charge of reviewing entries documents and collecting import or export taxes.

Customs Broker

A person or firm that holds knowledge of import and export law and helps importers pay duties. A customs broker, or customs agent, holds a license to submit all documents for clearing cargo through CBP.

Customs Entries

The submission of documents related to shipment for CBP review and release.

Cut-Off Date

The cut-off date is the last date that the container can be returned to the port terminal in order to make the schedule that you requested. It's usually two days before the expected departure date, but will vary based on the carrier and the port.

Delivery Address

The address that your shipment will be delivered to.

Demurrage

The penalty for exceeding the free time allowed for taking your delivery of a shipment from the shipping carrier or warehouse.

Departure Date

The date that your shipment will leave the origin port.

Destination/Origin Agent (or) Freight Forwarder

Also known as a freight forwarder, the destination or origin agent is a person or company that facilitates cargo movement and arranges shipments for arrival at the destination or origin port.

Express Release

An express release means that the original HBL was never issued or printed. In these cases, the shipper has typically fully released the goods from the start and is not pending any type of payment for the goods.

Freight

The articles, goods, materials, merchandise, etc — also known as 'freight' — that are moved by carriers.

Freight Forwarder

Also known as a destination or origin agent, the freight forwarder is a person or company that facilitates cargo movement and arranges shipments for arrival at the destination or origin port.

Freight Release Date

The date that your freight is released from the party that owns the cargo.

Full Container Load (FCL)

A shipment that takes up the entire container. Container types can include: 20', 40' 40'HC, 45'.

General Order (G.O.)

When a container goes unclaimed for a period of time, U.S. Customs will issue a G.O. Notice and move the goods to a G.O. warehouse, where the goods will either be auctioned off to the public or destroyed depending on the imported goods.

Harmonized System (HS Code)

This code is used to identify and classify goods being shipped internationally. Developed by the World Customs Organization, it is six digits and is universally standardized.

Harmonized Tariff Schedule Code (HTS Code)

This code is used to identify and classify goods being shipped internationally. An HTS Code includes 10 digits and is determined by the country of import. The HTS code is 10 digits and is specific to importing in the United States. The first 6 numbers are from the HS code with an additional 4 digits for more granular specification.

Hazmat

Also known as Toxic or Hazardous Materials, hazmat refers to the dangerous goods as defined by the U.S. Department of Transportation in accordance with the Federal Hazardous Material Law. Hazardous materials generally pose a health or safety risk when transporting, and require extra handling when part of a supply chain.

House Bill of Lading (HBL)

A bill of lading issued by the freight forwarder to a shipper as a receipt of goods. This bill will show the shipper as the consignor. It will also show the buyer or importer of record as consignee. A house bill allows for the transfer of ownership of goods from the shipper to the buyer, once released.

Incoterms

Incoterms are international trade terms that specify which party is responsible for various aspects of the shipment, such as transportation, insurance, and customs clearance. Incoterms are typically used for international shipments.

In-Distribution Center Date (In-DC Date)

The (ideally pre-planned) date at which your shipment arrives at your distribution center.

Inland Port

An inland port is typically the second arrival port after landing at the port of arrival.

Importer Security Filing (ISF)

A U.S. Customs regulation that requires importers and vessel carriers to submit data electronically and in advance for inbound ocean shipments. The ISF generally notifies CBP of the container detail and arrival plan.

Less than Container Load (LCL)

A shipment that takes up less than a full container space.

Manufacturer

The party that produced or made the cargo. Knowing the manufacturer is important, because CBP needs to know the maker of the product.

Master Bill of Lading (MBL)

A bill of lading issued by the carrier to a freight forwarder as a receipt of goods. This bill will show the origin freight forwarder as the consignor and the destination forwarder as the consignee. A master bill allows the transfer of ownership of goods from the origin freight forwarder to the destination forwarder.

Notify Party

The notify party is usually the buyer, consignee, or importer on the house bill. However, the notify party can be anyone that needs to know the shipment status. This party must receive the arrival notification.

Release Date

The date the shipment is released. There are two important release dates: (1) the master bill release by the origin freight forwarder to the destination freight forwarder and (2) the house bill release by the shipper to the buyer.

Origin Agent

A person or company that arranges shipments at the origin port.

Palletization

Palletization is the process of loading goods onto pallets (wooden platforms) in order to facilitate shipping and handling. It allows for shipments to be easily moved with forklifts or pallet jacks and can also help to protect goods from damage during transit.

Port of Departure (POD)

The ocean port from which the shipment departs.

Port of Discharge

Also called the port of unloading, this is the place where a ship or aircraft unloads its shipments, which are then discharged to their respective consignees. It may be the port of destination, but not always.

Service Type

The service that the shipper or buyer requested from the freight forwarder — or from a service like Shippabo. Available service types include: port to port, port to door, door to port, door to door.

Shipper

The party that ships the cargo.

Shipping Carrier

The shipping line or airline that will physically move the cargo. The party that issues the Master Bill.

Special Cargo

Cargo that faces additional regulations from various other government agencies — in addition to the requirements of U.S. Customs — are considered special cargo. Examples include food, plant and wood products, drugs, and firearms.

Transport Type

The service that is requested of the shipping carrier. Available services include: container yard to container yard (CY CY), container yard to door (CY Door), and container freight station to container freight station (CFS CFS).

Vessel

The name of the vessel that carries the container

Voyage

The voyage number of the vessel, which is typically a mix of three or four numbers and text.

How Can Shippabo Help My Supply Chain?



As a supply chain management solution, Shippabo is here to help your business optimize its supply chain. Shipping is complex, to say the least. Shippabo not only provides the platform to manage your supply chain — it helps you operate your supply chain with greater transparency, access to competitive pricing, and actionable data.

Connect with our team today for a free assessment of your supply chain.

About Shippabo

We at Shippabo are obsessed with delivering to your organization a first-class technology platform to streamline logistics operations, collect transportation history to propel your growth, and give you SKU-level data to support your sales and purchasing teams.

Our platform provides real-time data on all your products, right down to the SKU. Never worry about where your shipments are and feel confident in your strategizing.

With Shippabo, businesses have total visibility and complete predictability on their supply chain.

Your shipping solution has arrived.

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