

LP 10/2026 Risk Alert on Corn Cargo Damage at Egyptian Ports

An entered vessel of the Association encountered significant difficulties and a substantial claim from the consignee OG LLC due to cargo damage during the discharge of bulk corn at the New Port of Alexandria (EL DEKHEILA), Egypt. The incident resulted in severe delay and highlights operational risks for vessels carrying grain cargoes to Egyptian ports, particularly under circumstances of port changes due to the Persian Gulf crisis.

I. Overview

The involved vessel, a Panamax bulk carrier, loaded 54,000 metric tons of bulk yellow corn in Barcarena, Brazil, for discharge at El Dekheila Port, Egypt. The vessel arrived at the discharge port at the end of November 2025. During discharge, partial damage was detected in holds No. 2 and No. 5.

The consignee refused to discharge the affected holds and demanded the shipowner and the Club to confirm liability for all resultant losses, including but not limited to the total loss of cargo in the two holds, port fines for failing to meet discharge deadlines, and demurrage. Correspondents were appointed to negotiate with the consignee, who refused to determine the settlement and denied Club LOU. Discharge was interrupted, and as cargo from other holds could not be fully discharged for stability reasons, the port authority ordered the vessel to the outer anchorage to await berthing.

II. Case Handling

The Association immediately engaged UK lawyers and cargo experts. The shipowner also contacted the charterer to urge the consignee to proceed with discharge in accordance with shipping practices.

After approximately two weeks of continuous negotiation involving lawyers from both sides, the port authority granted a 48-hour window for the vessel to return to berth. To expedite discharge and mitigate further losses, the parties agreed on a guarantee. Following the Association's issuance of a substantial guarantee, the vessel was permitted to berth.

However, discharge continued to be difficult with the cargo interests not cooperating, citing shortages of stevedores. Furthermore, they sold part of the cargo at a low

price without a joint loss assessment. The Association has then instructed the surveyor to arrange for cargo sampling and assess the loss accurately with grain experts to minimize the claim.

III. Advice to Members

Based on the properties of grain cargoes and our claims records, the primary causes of damage are wet damage and heat damage. Members are advised to adhere to the following good practices for seaworthiness and cargo worthiness:

1. Before Loading

- Ensure the structural integrity of cargo holds and the watertightness of hatch covers.
- Prepare the holds to be dry and clean for a pass on the first inspection.
- Clean bilge wells to prevent clogging and excessive water accumulation.
- The Master should obtain detailed cargo information from the charterer or shipper.

2. During Loading

- Arrange proper deck watchkeeping, cargo watch, and tallying.
- Visually inspect or spot check the loaded cargo. Record any unusual circumstances with photograph evidence in the deck log and ship's logbook, and report to the shipowner.
- When there's doubt about whether the intended cargo can be loaded, seek advice from a cargo expert.
- Inform stevedores of safe working procedures and beware of hazards of them falling or entering the holds.
- Exercise caution when signing shipping documents, with the Master overseeing the process.

3. During Voyage

- Conduct regular fumigation as per instructions.
- Ventilate cargo holds according to the dewpoint or 3-degree rule, maintaining complete and continuous records.
- Take regular soundings of bilge wells, ballast tanks, and fuel tanks.

- Inform the engine department of cargo operations to avoid overheating of cargo in adjacent holds.

4. During Discharge

- Notify the shipowner and the Club immediately once cargo damage is detected on board.
- Exercise caution when third parties request ship or cargo documents; confirm with the owner and the Club before providing such documents.
- Signing during discharge is equally important and be extra careful if different receipts and bills are mixed up.
- Cooperate actively with experts and lawyers appointed by the Club for evidence collection and defense.

IV. Conclusion

According to the USDA Grain and Feed Annual Report 2026, Egypt's domestic yellow corn production meets less than 40% of its feed demand, with the rest supplied by imports from mainly Brazil, Ukraine, Argentina and the US. With substantial demand from its livestock and aquaculture industries, Egypt's import volume is likely to increase, potentially bringing more cargo damage claims.

The Club recommends commercial background checks on charterers and trading partners. In case of a cargo dispute, Members are encouraged to contact the Club immediately. We will leverage all resources to protect Members' interests and in return we'd request Members' diligence in ensuring vessels' seaworthiness and proper cargo care.

For more information, please contact Managers of the Association.