

# Ultimate Guide to Shipping

## Shipping to Amazon FBA

### Creating a Shipment Plan




To start sending inventory to an Amazon FBA (Fulfillment by Amazon) warehouse, you need to create a shipment plan in Amazon Seller Central. Detailed instructions on how to do so [are available](#), but keep the following tips in mind when setting up your shipment plan:

- Don't create a different shipment plan for different SKUs. Keeping SKUs in one shipment plan instead will limit the amount of fulfillment centers your shipment is split into.
- Don't input your supplier's address when you're prompted to input a "Ship From" address. Inputting your supplier's address may prompt Amazon Seller Central to split your shipment into more fulfillment centers than is necessary. Instead, enter the address of the U.S. warehouse from which your shipment will be picked up before delivery to Amazon.

Your Amazon shipment may still be split into multiple fulfillment centers, resulting in more than one [FBA ID](#). If you would like all of your shipment to be sent to a single fulfillment center, consider signing up for Amazon's [Inventory Placement Program](#). However, please note, there is a significant per unit fee for this service.

You will also be asked to select how your shipment will be delivering to the FBA warehouse: via Small Parcel Delivery (SPD) or Less than Truckload (LTL). Shipments with fewer than 30 cartons can be delivered to Amazon via SPD, and shipments with greater than 30 cartons should ship via LTL. SPD has a faster transit time, but using LTL becomes more cost-effective after 30 cartons. Here is a [helpful guide](#) when considering different final delivery options:

*\*Note that **carton counts are a guideline** and it is ultimately your responsibility to estimate the charges of each option to choose a final delivery method*

Shipment Size 	Final Delivery Method 	Transit Time 	Palletization 	Things to Consider 
SPD (Small Parcel Delivery) ≤ 30 cartons*	<b>FedEx</b>	Next business day to local area	Not required	200 carton limit per shipment ID Only UPS is available in Canada
LTL (Less than Truckload) > 30 cartons*	<b>Flexport LTL</b>	Within 7 business days from when goods are available for pick-up	Flexport will palletize per Amazon's specifications	Only available for shipments delivering to a CA fulfillment center
	<b>Amazon LTL</b>	2-3 weeks from when goods are available for pick-up	Flexport will palletize per Amazon's specifications	26 pallet limit Not available in Canada
FCL (Full Container Load) At least one container*	<b>FCL Direct Delivery</b>	Within 7 business days from when goods are available for pick-up	See "Setting up Flexport FCL"	All products must be assigned the same fulfillment center

All shipments delivering to an Amazon FBA warehouse will need to be [labeled](#) and [palletized](#) (if necessary) to Amazon's specifications.

Pro Tip: You can estimate both Small Parcel Delivery (SPD) or Less than Truckload (LTL) final delivery fees before shipping by following [this step-by-step process](#).

## Labeling

All individual units must have FNSKU labels applied. You can either register the manufacturer barcode as the FNSKU label or have your supplier apply an FNSKU label.

All cartons must be labeled with the carton labels generated in the shipment plan. If you're shipping to an Amazon warehouse via SPD, there will be two carton labels: the Amazon FBA label and the SPD label.

If possible, have your supplier apply both unit-level and carton labels. Having your products and cartons pre-labeled at the supplier will prevent confusion with your freight forwarder and warehouse partner over which cartons should go to which fulfillment center if your shipment has been split into multiple FBA IDs.

If you're shipping to an Amazon FBA warehouse with LTL, your shipment must be palletized and have pallet labels applied.

Check out [this article](#) for a full breakdown of how to label your Amazon FBA shipment correctly.

## Palletizing

LTL shipments must be [palletized](#) per Amazon's specifications, or the FBA warehouse will not accept the shipment. Unless your goods are fragile (like glass or electronics), wait to have your shipment palletized until after it arrives in the U.S. The warehouse that palletizes your LTL shipment will be the "Ship From" address inputted in the shipment plan.

SPD shipments do not need to be palletized.

## Products

Know what's required to import your products before you import them. Some federal agencies require additional paperwork or testing for certain products before allowing them into the U.S. market, and you don't want to have your shipment delayed or pay extra costs because you weren't aware of those requirements beforehand. For example, products intended for children, like a toy, must meet requirements outlined by the [CPSC \(Consumer Product Safety Commission\)](#), and items like food or medical devices must adhere to [FDA \(Food and Drug Administration\)](#) regulations.

## Importing Dangerous Goods

Importing [hazardous materials](#) also requires paperwork and some advance planning. Hazardous materials may include: batteries, magnets, chemicals, fertilizer, gases, poisonous substances, and explosive and flammable substances.

Your supplier should know whether or not your products are dangerous goods, and should be able supply an MSDS (Material Safety Data Sheet) and a Shipper's Declaration.

An MSDS is a document containing information about the potential hazards of a product and how to safely handle it. Carriers may also require an MSDS for products that are only potentially dangerous, like liquids, creams, and powders, as proof that these goods aren't classified as hazmat.

A Shipper's Declaration details exactly what is being shipped, how dangerous it is, how it must be packed and labeled, and how it must be transported. It is the sole responsibility of the supplier to properly package, label, document, and prepare all documentation necessary to ship a potentially dangerous item.

Add on additional transit time for dangerous goods, keeping in mind that hazmat shipments may only be able to leave out of certain ports, and that carriers retain the right at all times to refuse a shipment with dangerous goods.

## Pricing

You have two options for overseas transportation: air or ocean. Which type of air or ocean transportation you choose depends on how much you want to spend and how fast you want it to reach its destination. Ocean is cheaper than air, and air is faster than ocean.

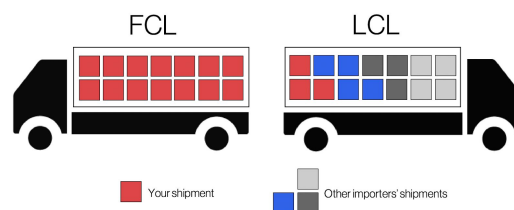
If you are looking for a rough estimate please use the guidelines below:

<200 kg	>200 kg	
		
<b>Parcel</b>	<b>Air Freight</b>	<b>Ocean Freight</b>
3-5 days	8-10 days	30-40 days
\$7.00/kg	\$5.00/kg	\$250 - \$450 per CBM

## Ocean

LCL (less than container load) is a mode of ocean shipping where multiple importers' shipments are consolidated at a CFS (Container Freight Station) into one container. If you don't have enough cargo to fill up a container, LCL is a cheaper option than FCL, although additional days are added to transit time for consolidation and deconsolidation.

FCL (full container load) is a mode of ocean shipping where one importer's cargo occupies a full container. FCL shipments are faster than LCL, as they don't need to spend time at a CFS at the origin port and destination port, and can be trucked directly to their final destination.



Below is a guideline for different container sizes. Remember, these sizes are the *maximum* sizes. If you're starting with an 18 [cbm](#) shipment speak with your freight forwarder about using a 20 foot container:

Container Size	Maximum Capacity	Dimensions (feet   meters)	Door Height	Max Cargo Weight*
20' container	28 cbm (stretch to 29)	Length: 19'5"   5.919 m Width: 7'8"   2.340 m Height: 7'9 1/2"   2.380 m	7' 5 1/2"   2.278 m	21,670 kg   47,770 lb <i>*Varies by carrier and mode (truck, rail)</i>
40' container	58 cbm (stretch to 59)	Length: 39'6 1/2"   12.051 m Width: 7'8"   2.340 m Height: 7'9 1/2"   2.380 m	7' 5 1/2"   2.278 m	26,480 kg   58,380 lb <i>*Varies by carrier and mode (truck, rail)</i>
40' HC container (High Cube)	65 cbm (stretch to 68)	Length: 39'6 1/2"   12.056 m Width: 7'8 1/4"   2.347 m Height: 8' 5 1/2"   2.684 m	8' 5 3/4"   2.585 m	26,280 kg   57,940 lb <i>*Varies by carrier and mode (truck, rail)</i>
45' HC container (High Cube)	75 cbm (stretch to 80)	Length: 45'   13.716 m Width: 8'   2.438 m Height: 9' 6"   2.896 m	8' 5 3/4"   2.585 m	25,610 kg   56,342 lb <i>*Varies by carrier and mode (truck, rail)</i>

## Air

Three different types of air service are available: express, standard, and deferred.

If your cargo is shipping via express service, it will be put on a direct flight to its destination, making it the most expensive type of air service.

If your cargo is shipping via standard service, the cargo will likely make stops at one or two airports, where the cargo either switches planes or other cargo is on/off-loaded. Standard is the most common type of air service.

If your cargo is shipping via deferred air service, the cargo will make multiple stops along the route to its final destination. Deferred air is the cheapest type of air service, but deferred air freight rates are still higher than LCL rates.

## Trucking

Some shipments may need to be offloaded from a container and trucked to their final destination because containers cannot be kept away from the port for [more than a few days](#).

Two trucking options are available: LTL and FTL.

LTL (less than truckload) is a trucking service used for smaller shipments that take up less than a full truckload and can be combined with other small shipments to fill up a truck. LTL shipments have longer transit times than FTL shipments because LTL trucks make multiple pickups and deliveries. LTL carriers move cargo between trucking terminals en route to the final destination, so if an LTL truck is transporting a shipment from Los Angeles to New York, the cargo might be delivered by one LTL truck to a terminal in Phoenix, and then by another LTL truck to Dallas,

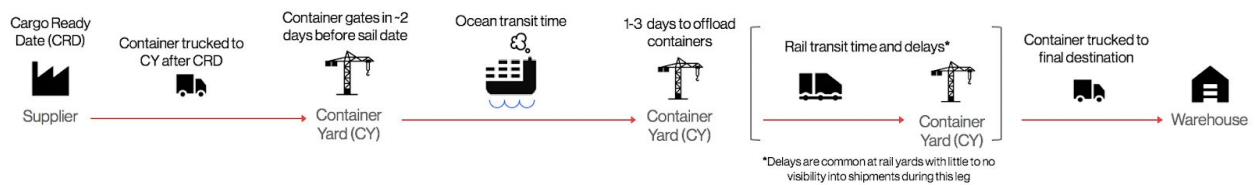
and so forth until it reaches the terminal in New York and can be shipped out for final delivery. Shipping LTL is cheaper than shipping FTL because of this longer transit time.

FTL (full truckload) is a type of trucking service used for shipments that can fill up an entire truck. FTL is also a good option if you need a faster transit time, because FTL shipments will truck directly to the destination.

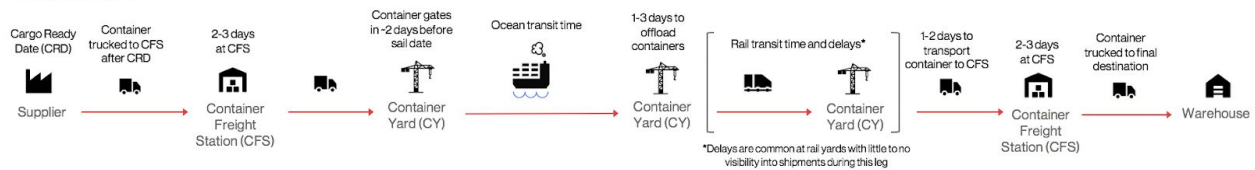
## Transit Times

The total transit time of your shipment will depend on the origin and destination of your shipment, and the time of year you're shipping, but you can get an idea of what the total shipment timeline looks like below:

### Ocean FCL



### Ocean LCL



### Air



## Cargo Insurance

Purchasing cargo insurance is strongly recommended, because any number of misfortunes could befall your shipment between the time it leaves your supplier and arrives at its final destination. Your shipment will pass through the hands of many parties along its route, leaving it at risk for damage or loss. Freight claims are often denied by carriers, so you're not likely to be able to hold the carrier accountable for any damages done. In the event that your cargo is lost, your cargo arrives at its destination damaged, or in the event that [General Average](#) is incurred, you're going to want cargo insurance to avoid large out-of-pocket expenses.

## Common Line Items

Your quote and invoice from your freight forwarder will include a breakdown of charges and you may see some of the following:

- **CFS (Container Freight Station Fee)** - Assessed for LCL shipments for consolidation and deconsolidation at the CFS
- **Drayage fee** - Incurred when a trucker picks up a container and delivers it to its next destination
- **HMF (Harbor Maintenance Fee)** - Assessed by U.S. Customs for products imported via ocean through U.S. Ports, calculated at 0.125% of the cargo value declared on the Commercial Invoice
- **Liftgate fee** - Incurred when a trucker has to provide a liftgate in the situation where the final destination doesn't have a loading dock
- **MPF (Merchandise Processing Fee)** - Assessed by U.S. Customs for most imports into the U.S., charged at 0.3464% of the Commercial Invoice
- **Prepull fee** - Incurred when a trucker pulls a container from the port and stores it at the trucking yard instead of delivering it to the final destination to avoid high storage costs at the port if the container can't be delivered immediately
- **Transloading fee** - Incurred when a shipment needs to be [moved from one mode of shipping to another](#), like transferring a shipment from an ocean container to a truck
- **Trucking wait fee** - Assessed by the trucker if the trucker is waiting to deliver a shipment after the period of free waiting time expires. Often incurred for Amazon shipments when truckers have to wait to deliver at crowded FBA warehouses

## Incoterms

Incoterms are terms of sale that define who arranges for the payment and handling of goods during shipping, from the moment the goods leave the seller's door, up until their arrival at the buyer's final destination. Incoterms are an agreement between the seller and the buyer, so it's ultimately up to the buyer and seller to agree on each party's responsibility of cost and risk before the shipment begins.

There are currently 11 incoterms, but you're most likely to encounter FOB, EXW, and DDP:

FOB (Free on Board) requires the seller to clear the goods for export, deliver the goods to the ocean vessel, and place the goods on board. Cost and risk transfer from the seller to the buyer once the goods cross the ship's rail.

EXW (Ex Works) only requires the seller to make the goods available for pickup by the buyer at the seller's premises or another named location.

DDP (Delivered Duty Paid) requires the seller to arrange transportation of the goods all the way to the buyer's door, paying all associated costs, including customs duties.

## Customs

### Duties

An import duty is an indirect tax imposed by the government on the value of an imported product. The duties you will owe upon importing into the US are determined by your product's HTS code.

U.S. HTS (Harmonized Tariff Schedule) codes are 10-digit product classification codes, made up of a 6 digit HS code, and four digits further classifying the product. An HS code is a six digit code used by U.S. Customs and all other members of the World Customs Organization (WCO) to classify goods for customs purposes.

### Bonds

You will need to purchase a customs bond, a form of insurance to protect the U.S. Treasury in the event that the importer fails to pay the duties, taxes, fines, or fees incurred on their import. Two types of customs bonds can be purchased: single entry bonds and continuous customs bonds. A single entry bond can only be used once, while a continuous customs bond will cover all your import shipments for one year from the date of issue.

### Exams

Your shipment may be selected for a Customs examination, especially if you're a first-time shipper. Shipments may undergo an X-ray exam, a Tail Gate exam, or an Intensive exam.

An X-ray exam is the least intensive exam. If CBP selects your shipment for a Customs exam, the container will be driven through an X-ray machine at the ocean terminal. A customs officer will then review the X-ray images and either release the container, or escalate it to a Tail Gate or Intensive exam.

A Tail Gate exam is the next step up from an X-ray exam. During a Tail Gate exam the customs officer will break the seal of the container at the ocean terminal, open the doors, and look inside the container. The customs officer will then either choose to release the container, or escalate it to an Intensive exam.

An Intensive exam is the most thorough exam. During an Intensive exam, the container will be trucked to a Centralized Examination Station (CES) where the container is unloaded so that a Customs officer can examine the cargo.



## Documents

Every shipment will require a commercial invoice and a packing list that your supplier should be able to provide.

A commercial invoice is a document used for Customs declaration that identifies the value and quantity of shipped products.

A packing list is a document used for customs declaration that identifies the quantity, weight, dimensions, and carton count of the shipped products. The information listed on the Commercial Invoice must match the corresponding fields on the Packing List (e.g. the quantity of units for each product should be the same on both the Commercial Invoice and Packing List).

## Seasonal Shipping

Anticipate tighter capacity and higher rates during certain times of the year when import volumes are up:

### Peak Season

Peak Season ramps up during the second half of the year, as importers begin to bring in stock for the holiday season. As businesses prepare for the winter holidays import volumes will rise and ocean and air rates will increase. Prepare for high rates, rolled cargo (cargo that cannot be loaded onto the vessel it was scheduled to sail on because the vessel ran out of capacity), trucking delays, and other interruptions.

### Golden Week

Golden Week is a 7-day festival in China starting on October 1st to celebrate the founding of the People's Republic of China. Suppliers and carriers will take the week off, so space becomes constrained in the weeks leading up to Golden Week, amplifying the already tighter space and higher rates of Peak Season.

### Chinese New Year

Chinese New Year is celebrated in February, and similar to Golden Week, suppliers and carriers will have the week off and usually take time to travel before and after the holiday, so expect additional closures and delays.

### Amazon Prime Day

Amazon Prime Day is held in July, and you can expect to see a significant increase in the volume of goods being sent to Amazon FBA warehouses several weeks before Prime Day, resulting in additional delays.

Always plan ahead when shipping near holidays and anticipate delays and higher rates.

## In Conclusion

Equipping yourself with the freight knowledge essentials will help prepare you for shipping success, setting you and your business up for long-term success. And knowing what to expect will make the shipment process run smoother and help you communicate effectively with both your supplier and freight forwarder!