

CONTRACTS
Professor Ben-Shahar

Foreseeability

Shipper was hired by client to deliver 1000 tons of sugar aboard his vessel to Bombay. Shipper promised to make a direct voyage and arrive by November 1. Shipper breached his promise by making several detours and stops during the voyage, and arrived instead on November 15.

The client is a broker who is known to sell the sugar upon its arrival to local wholesaler at the market price. On November 1, the market price for sugar was \$100 per ton. By the time the vessel arrived, on November 15, the market price fluctuated and was \$80 per ton, the price at which the client sold the entire load.

Can the buyer recover damages? How much? Does it matter whether the market price was known to fluctuate, both upwards and downwards?

(See—it you are interested—Koufos v. Czarnikow, [1969] A.C. 350 (H.L. 1967).)