

No. 9906

UNITED STATES OF AMERICA
and
INDIA

Supplementary Agreement for sales of agricultural commodities (with annexes). Signed at New Delhi on 24 June 1967

Authentic text: English.

Registered by the United States of America on 1 October 1969.

ÉTATS-UNIS D'AMÉRIQUE
et
INDE

Accord supplémentaire relatif à la vente de produits agricoles (avec annexes). Signé à New Delhi le 24 juin 1967

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} octobre 1969.

SUPPLEMENTARY AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of India, as a supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on February 20, 1967² (hereinafter referred to as the February agreement), have agreed to the sales of commodities specified below. This supplementary agreement shall consist of the Preamble, Parts I and III, and the Local Currency Annex of the February agreement, together with the following Part II and the Convertible Local Currency Credit Annex attached hereto.

PART II

PARTICULAR PROVISIONS

Item I. Commodity Table

<i>Commodity</i>	<i>Supply Period (United States Fiscal Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (Millions)</i>
A. Convertible Local Currency Credit			
Wheat and/or wheat flour	1968	317,000	\$22.0
Ocean transportation (estimated)			2.2
		Subtotal:	\$24.2
B. Local Currency Terms			
Wheat and/or wheat flour	1968	808,000	\$55.8
Coarse grains	1968	375,000	19.9
Vegetable oil	1968	50,000	12.1
		Subtotal:	\$87.8
		TOTAL:	\$112.0

¹ Came into force on 24 June 1967 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, Vol. 688, No. I-9850.

Item II. *Payment Terms*

A. Convertible Local Currency Credit

1. Initial Payment — None
2. Number of Annual Installment Payments — 31
3. Amount of Each Installment Payment — Approximately equal annual amounts.
4. Due Date of First Installment Payment — 10 years after date of last delivery of commodities in each calendar year.
5. Initial Interest Rate — 1 percent
6. Continuing Interest Rate — 2½ percent.

B. Local Currency Terms

1. Proportion of local currency accruals indicated for specified purposes:
 - a. United States expenditures 8 percent, of which not more than \$1,317,000 shall be sold under Section 104(j) of the Act, but the total available for United States expenditures shall be not less than the amount convertible under 2 below plus the amount sold under Section 104(j)
 - b. Section 104(e) — 5 percent
 - c. Section 104(f) loans — 87 percent, subject to reduction as may be necessary to provide the local currencies required for United States expenditures under (a) above. These funds are for financing such projects as are mutually agreed by the two Governments, but not less than 20 percent of the total local currencies accruing to the Government of the exporting country from sales of commodities under this agreement shall be used for the self-help measures described in Item V.
2. *Convertibility*
 - a. Section 104(b) (1) purposes — \$1,756,000
 - b. Section 104(b) (2) purposes — \$1,317,000
 - c. \$1,317,000 less the amount sold under section 104(j).

Item III. *Usual Marketing Table*

<i>Commodity</i>	<i>Import Period (United States Fiscal Year)</i>	<i>Usual Marketing Requirement (Metric Tons)</i>
Wheat and/or wheat flour.	1968	200,000

Item IV. *Export Limitation Table*

A. The export limitation period for commodities the same as or like any particular commodity financed under this agreement shall be the period beginning on the date of this agreement and ending on the final date on which the relevant commodities financed under this agreement are being imported and utilized.

B. During the export limitation period for vegetable oil and like commodities, Indian exports of edible vegetable oil and oil equivalent of peanuts exported for crushing, excluding handpicked selected peanuts for direct human consumption (oil value calculated at 69 percent of value of peanuts), shall be deemed consistent with the terms of this agreement, provided that the Government of India ensures that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantity of vegetable oil and oil equivalent of copra (oil value calculated at 92 percent of value of copra) having C. I. F. value equal to F. O. B. value of Indian exports.

Item V. *Self-Help Measures*

The February agreement contains a description of the programs related to the production of food which are being initiated or planned by the Government of India. The Government of India continues to accord high priority to the execution of these programs.

1. As part of its efforts to increase the domestic production of fertilizer needed to achieve its target of food sufficiency and to reduce the demand for foreign exchange, the Government of India is accelerating its efforts to assess and if feasible develop indigenous sources of phosphate rock.

2. The Government of India has also announced its determination to give high priority to the implementation of a massive countrywide family planning program in order to limit the growth of population and ensure a better standard of living for its people.

3. The Government of India has announced that it is undertaking measures to systematically reduce the rate of food grain losses due to pests, particularly insects and rodents.

4. The Government of India anticipates that foodgrain acreage will increase by about 10 million acres by 1970-71 over the total area in 1964-65, while the area under cotton is expected to remain unchanged during the same period. In seeking to increase foodgrain production, the Government of India is developing and implementing a policy of announced incentive prices, improved information and extension programs, and other appropriate means.

Item VI. *Proceeds to Constitute Resource for Economic Development*

The proceeds of commodities financed under convertible local currency credit terms will constitute an additional resource for financing India's annual and long-range economic development plans, including the self-help measures set forth in this agreement.

Item VII. *Other Provisions*

In addition to any local currency authorized for sale under Section 104(j) of the Act, the Government of the exporting country may utilize any local currency in the importing country to pay for travel which is part of a trip in which the traveler travels from, to or through the importing country. These funds (but not the sales under Section 104(j)) are intended to cover only travel by persons who are travelling on official business for the Government of the exporting country or in connection with activities financed by the Government of the exporting country. The travel for which rupees may be utilized shall not be limited to services provided by the transportation facilities of the importing country.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE at New Dehli, India, in duplicate, this twenty-fourth day of June, 1967.

For the Government
of the United States of America:
Joseph N. GREENE Jr.

For the Government
of India:
S. JAGANNATHAN

CONVERTIBLE LOCAL CURRENCY CREDIT ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA FOR SALES OF AGRICULTURAL COMMODITIES

The following provisions apply with respect to the sales of commodities financed on convertible local currency credit terms:

1. In addition to bearing the cost of ocean freight differential as provided in Part I, Article I F, of this agreement, the Government of the exporting country will finance on credit terms the balance of the costs for ocean transportation of those commodities that are required to be carried in United States flag vessels. The amount for ocean transportation (estimated) included in any commodity table specifying credit terms does not include the ocean freight differential to be borne by the Government of the exporting country and is only an estimate of the amount that will be necessary to cover the ocean transportation costs to be financed on credit terms by the Government of the exporting country. If this estimate is not sufficient to cover these costs, additional financing on credit terms shall be provided by the Government of the exporting country to cover them.

2. With respect to commodities delivered in each calendar year, the principal of the credit (hereinafter referred to as principal) will consist of:

- a. The dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country, and
- b. The ocean transportation costs financed by the Government of the exporting country in accordance with paragraph 1 of this annex (but not the ocean freight differential).

This principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

3. Interest on the unpaid balance of the principal due the Government of the exporting country for commodities delivered in each calendar year under this agreement shall begin on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in such calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment

shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments. For the period from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

4. The computation of the initial payment under Part I, Article II, A of this agreement and all computations of principal and interest under numbered paragraphs 2 and 3 of this annex shall be made in United States dollars.

5. All payments shall be in United States dollars or, if the Government of the exporting country so elects,

- a. The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations in the importing country, or
 - b. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations.
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