

No. 9993

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**UNITED STATES OF AMERICA  
and  
INDIA**

**Third Supplementary Agreement for sales of agricultural commodities (with annexes). Signed at New Delhi on 30 December 1967**

*Authentic text: English.*

*Registered by the United States of America on 1 November 1969.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
INDE**

**Troisième accord supplémentaire relatif à la vente de produits agricoles (avec annexes). Signé à New Delhi le 30 décembre 1967**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 1<sup>er</sup> novembre 1969.*

**THIRD SUPPLEMENTARY AGREEMENT<sup>1</sup> BETWEEN THE  
GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND THE GOVERNMENT OF INDIA FOR SALES OF  
AGRICULTURAL COMMODITIES**

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The Government of the United States of America and the Government of India, as a third supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on February 20, 1967<sup>2</sup> (hereinafter referred to as the February Agreement), have agreed to the sales of commodities specified below. This third supplementary agreement shall consist of the Preamble, Parts I and III, and the Local Currency Annex of the February Agreement, together with the Convertible Local Currency Credit Annex of the June 24, 1967 Agreement<sup>3</sup> and the following Part II:

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>
<b>A. Convertible Local Currency Credit</b>			
Wheat and/or wheat flour	1968	678,000	\$ 42.1
Ocean Transportation (est.) . . . . .			4.8
		Subtotal	\$ 46.9
<b>B. Local Currency</b>			
Wheat and/or wheat flour	1968	2,322,000	\$144.2
Grain Sorghums . . . . .	1968	500,000	24.4
		Subtotal	\$168.6
		TOTAL	\$215.5

<sup>1</sup> Came into force on 30 December 1967 by signature, in accordance with part III (B).

<sup>2</sup> United Nations, *Treaty Series*, vol. 688, No. I - 9850.

<sup>3</sup> *Ibid.*, vol. 692, No. I - 9906.

Item II. *Payment Terms:*

A. Convertible Local Currency Credit

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

B. Local Currency

1. Proportions of local currency accruals indicated for specified purposes:
  - (a) United States expenditures, 8 per cent of which not more than \$6,163,000 shall be sold under Section 104 (j) of the Act, but the total available for the 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 per cent
  - (c) Section 104 (f) loans—87 per cent, 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 per cent of the total local currencies accruing to the Government of the exporting country from sales of commodities under this agreement shall be used for self-help measures described in Item V.
2. Convertibility
  - (a) Section 104 (b) (1) purposes—\$3,372,000
  - (b) Section 104 (b) (2) purposes—\$1,000,000
  - (c) \$6,163,000 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 Requirements (Metric Tons)</i>
Wheat and/or wheat flour . . . . .	1968	200,000

Item IV. *Export Limitations*

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.

Item V. *Self-Help Measures*

The two Governments have consulted further on the problems arising out of the gap between food production and food consumption. As stated in previous agreements, the Indian Government, as part of its overall development program, is giving priority to its programs to improve production, storage and distribution of agricultural commodities, particularly food crops. As a part of these programs, the Government of India is taking steps in the following areas

## 1. Food Pricing and Distribution Policies:

- (a) To assure adequate returns to producers during the current crop year, the GOI has announced that it will purchase all foodgrains offered at no less than announced procurement price levels, even if procurement targets are exceeded.
- (b) To help stabilize prices and build reserves for emergencies, the GOI intends to create adequate buffer stocks as quickly as conditions will allow.

2. Agricultural Targets: In support of its program to increase food production, the GOI intends to make a further substantial increase in investment in agriculture in 1968-1969 over 1967-1968, and has established the following general targets for 1968-1969:

- (a) Fertilizer availability: 1.7 million nutrient tons of nitrogen (N), 650,000 nutrient tons of phosphate ( $P_2O_5$ ), and 450,000 nutrient tons of potash ( $K_2O$ ). Of these, 655,000 nutrient tons of nitrogen and 320,000 nutrient tons of phosphate are to be produced domestically, with the gap between domestic production and target availabilities to be filled by imports, subject to availability of adequate amounts of foreign exchange.
- (b) Acreage to be placed under high-yielding varieties program:

	<i>Acres (Thousands)</i>
Rice . . . . .	8,500
Wheat . . . . .	5,000
Maize, Bajra and Jowar. . . . .	7,500

This would be an increase of six million acres over that of 1967-1968.

- (c) Crop Protection—135 million acres to be covered. This would be an increase of 10 million acres over 1967-1968.
- (d) Irrigation—an increase of 3.6 million acres over 1967-1968. In addition, the Indian Government is accelerating progress on projects to improve water use techniques.

#### Item VI. *Proceeds to Constitute Resources 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 referred to 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 traveling 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 Indian 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 Delhi, India, in duplicate, this thirtieth day of December, 1967.

For the Government  
of the United States of America:

Joseph N. GREENE Jr.

For the Government  
of India:

S. JAGANNATHAN