

No. 10070

**UNITED STATES OF AMERICA
and
INDONESIA**

Supplementary Agreement for sales of agricultural commodities (with annex). Signed at Djakarta on 5 August 1968

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
INDONÉSIE**

Accord supplémentaire relatif à la vente de produits agricoles (avec annexe). Signé à Djakarta le 5 août 1968

Texte authentique: anglais.

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

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

The Government of the United States of America and the Government of the Republic of Indonesia, as a fourth supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on September 15, 1967² (hereinafter referred to as the September Agreement), have agreed to the sales of commodities specified below. This supplementary agreement shall consist of the Preamble, Parts I and III, and the Convertible Local Currency Credit Annex of the September Agreement, together with the following Part II.

PART II

PARTICULAR PROVISIONS

Item I. *Commodity Table*

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value</i>
Rice	Fiscal Year 1969	150,000 Metric Tons	\$27,000,000
Raw Cotton (for processing in Indonesia)	Fiscal Year 1969	90,000 Bales	13,500,000
Cotton Yarn	Fiscal Year 1969	50,000 Bales (raw cotton equivalent)	17,000,000
Ocean Transportation (estimated)			5,500,000
			\$63,000,000

¹ Came into force on 5 August 1968 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 693, p. 87.

Item II. *Payment Terms***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 date of last delivery of commodities in each calendar year.
5. Initial Interest Rate—2 percent.
6. Continuing Interest Rate—2½ percent.

Item III. *Usual Marketings*: Waived**Item IV. *Export Limitations***

A. With regards to each commodity financed under this agreement, the export limitation period for the same or like commodities shall be the period beginning on the date of this agreement and ending on the final date on which the commodity financed under this agreement is imported and utilized.

B. For the purposes of Part I, Article III. A. 3. of the agreement, the commodities considered to be the same as, or like, the commodities imported under this agreement are: for rice, rice in form of paddy, brown or milled rice; for cotton and cotton yarn, raw cotton and/or cotton textiles except batiks and similar handicraft products.

Item V. *Self-Help Measures*

1. To ensure economic use of rice supplies, the Government of Indonesia is permitting rice prices to urban consumers to conform generally with world market levels, as adjusted to Indonesia's rice season. Provision of rice to consumers at less than domestic market prices is being strictly limited. The Government of Indonesia will make every effort to assure that net borrowing by Badan Urusan Logistik from the Central Bank will be no larger at end of crop year 1968/69 than at beginning. In order to avoid subsidizing rice consumption, the Government of Indonesia is taking steps to encourage increased consumption of wheat and domestic rice substitute products.

2. To encourage increased rice production, the Government of Indonesia intends to direct Badan Urusan Logistik to continue to make rice purchases in all major rice surplus areas at prices which are based at minimum on the "farmer formula" now in use, recalculated when necessary to assure stable farmer purchasing power, and to inform farmers of this policy in advance of fertilizer sales.

3. As part of the overall price stabilization program the Government of Indonesia is assuring that increased rice stockpiles are built to afford sufficient supplies for needed distributions during the scarcity season in 1968/69.

4. In its support of agricultural production and marketing improvements, the Government of Indonesia is undertaking:

- a. To achieve targets established for the 1968/69 wet season crop by expediting distribution of fertilizer and pesticides and encouraging increased private sector participation in this distribution;
- b. To provide increased budget and administrative support to programs emphasizing the multiplication and distribution of high-yielding rice varieties;
- c. To expand production credit facilities to the farmers carrying out improved practices;
- d. To improve market roads, marketing facilities, and storage facilities consistent with the need to expand food production to meet domestic requirements.

In addition, the Government of Indonesia is making a maximum effort to eliminate barriers to the free movement of rice and other agricultural products within Indonesia.

5. The Government of Indonesia will make available reports on progress in the food production sector on a semi-annual basis, and reports on rice procurement programs on a monthly basis; representatives of the Government of Indonesia will meet regularly with representatives of the Government of the United States to discuss these programs and reports.

Item VI. *Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used*

For economic development purposes as may be mutually agreed upon including use for the self-help measures included in Item V.

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

DONE at Djakarta, in duplicate, this 5th day of August, 1968.

For the Government
of the United States of America:

Marshall GREEN

For the Government
of the Republic of Indonesia:

Adam MALIK