No. 10262

UNITED STATES OF AMERICA
and
INDIA

Fifth Supplementary Agreement for sales of agricultural commodities (with annexes). Signed at New Delhi on 25 April 1969

Authentic text: English.

Registered by the United States of America on 3 February 1970.

ÉTATS-UNIS D'AMÉRIQUE
et
INDE

Cinquième Accord supplémentaire relatif à la vente de produits agricoles (avec annexes). Signé à New Delhi le 25 avril 1969

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 3 février 1970.

FIFTH SUPPLEMENTARY AGREEMENT[1] 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 fifth supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on February 20, 1967[2] (hereinafter referred to as the February Agreement), have agreed to the sales of commodities specified below. This fifth 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[3] and the following Part II:

PART II

PARTICULAR PROVISIONS

Item I. Commodity Table

Commodity	*Supply Period (United States Fiscal Year)*	*Approximate Maximum Quantity*	*Maximum Export Market Value (Millions)*
A. Convertible Local Currency Credit			
Grain Sorghum	1969	300,000 metric tons	$14.4
Cotton (Upland)	1969	100,000 bales	13.3
Soybean and/or Cottonseed oil	1969	22,000 metric tons	4.8
Ocean Transportation Est.)			3.1
		Subtotal	$35.6

[1] Came into force on 25 April 1969 by signature, in accordance with Part III (B).

[2] United Nations, *Treaty Series*, vol. 688, p. 197.

[3] *Ibid.*, vol. 692, p. 309.

Commodity	*Supply Period (United States Fiscal Year)*	*Approximate Maximum Quantity*	*Maximum Export Market Value (Millions)*
B. Local Currency			
Rice	1969	100,000 metric tons	$17.8
Soybean and/or Cotton-seed oil	1969	18,000 metric tons	3.8
		Subtotal	$21.6
		TOTAL	$57.2

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 — 3 per cent

B. *Local Currency*

1. Initial Payments in Dollars — None
2. Proportions of local currency accruals indicated for specified purposes:

   a. United States expenditures — 7 per cent

   b. Section 104 (*e*) — 5 per cent

   c. Section 104 (*f*) loans — 88 per cent. 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.

3. *Convertibility*

   a. Section 104 (*b*) (1) purposes — $432,000

   b. Section 104 (*b*) (2) purposes — $432,000

Item III. Usual Marketing Table

Commodity	*Import Period (United States Fiscal Year)*	*Usual Marketing Requirements*
Rice	1969	400,000 metric tons
Cotton	1969	325,000 bales

Item IV. Export Limitations

A. *Export Limitation Period*

The export limitation period for commodities the same as or like any particular commodity financed under this agreement (other than cotton and vegetable oil) 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. *Permissible Exports*

During United States Fiscal Year 1969, and during any subsequent United States Fiscal Year in which vegetable oils are being imported or utilized under this agreement, Indian exports of edible vegetable oil and oil equivalent of peanuts exported for crushing, excluding hand-picked 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 per cent of value of copra) having C.I.F. value equal to F.O.B. value of Indian exports.

India will not export domestic cotton other than Bengal Deshi, Dholleras, Kalyan, Oomras, Mathia and Moglai and other lower Jarilla, all of which varieties normally do not exceed staple lengths longer than $^{13}/_{16}$ inch, during United States Fiscal Year 1969 or during any subsequent United States Fiscal Year in which upland cotton under this agreement is being imported.

Should Indian exports of cotton textiles during any United States Fiscal Year that cotton is being imported under this agreement exceed the average level of such exports during United States Fiscal Years 1963, 1964 and 1965, the Government of India will procure and import with its own resources on a commercial basis from the United States an equivalent weight of raw cotton contents of such excess exports of cotton textiles. These additional imports are to be over and above established usual marketings for raw cotton specified in the Usual Marketing table above.

Item V. Self-Help Measures

In addition to continuing to accord high priority to the self-help provisions outlined in agreements of June 24 [1] and December 30, 1967,[2] and December 23, 1968,[3] the Government of India will continue to place all feasible emphasis on pest control and marketing.

1. The Government of India plans to continue to improve insect, rodent and disease control both on the farm and in storage. This effort will include:

a. Expanded research on improved control methods,

b. Implementation of protection programs, and

c. Improvement of the marketing of pesticides.

2. The Government of India intends to substantially expand existing programs to improve the marketing of farm products. This effort will include:

a. Expanded applied research on methods for improving marketing efficiency, especially for foodgrains,

b. Intensification of Government programs to expand facilities and improve marketing intelligence, and

c. Expanded educational and technical assistance programs, including encouragement of the construction and improvement of storage facilities at the producer level.

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[1] United Nations, *Treaty Series*, vol. 692, p. 309.
[2] *Ibid.*, vol. 697, p. 107.
[3] See p. 69 of this volume.

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. Port Charges

The Government of importing country shall bear costs of port charges at the discharge port. Accordingly, the balance of ocean transportation costs to be financed on credit terms pursuant to Paragraph 1 of the convertible Local Currency Annex shall be reduced by 10 per cent of the ocean transportation cost on packaged commodities carried as liner parcels where the freight rate includes cost of stevedoring at discharge port; and by 2 per cent on all other shipments.

Item VIII. 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 twenty-fifth day of April, 1969.

For the Government of the United States of America:

W. H. WEATHERSBY

For the Government of India:

I. G. PATEL