

No. 10813

**UNITED STATES OF AMERICA
and
INDONESIA**

Supplementary Agreement for sales of agricultural commodities (with annex). Signed at Djakarta on 10 April 1970

Authentic text: English.

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

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

Accord supplémentaire relatif à la vente de produits agricoles (avec annexe). Signé à Djakarta le 10 avril 1970

Texte authentique: anglais.

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

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 the Ninth Supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on September 15, 1967² thereafter 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	Calendar Year 1970	250,000 MT	\$40,000,000

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 per cent
6. Continuing Interest Rate — 3 per cent

¹ Came into force on 10 April 1970 by signature, in accordance with part III (B).

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

Item III. Usual Marketings: None

Item IV. Export Limitations:

A. With regard 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 purpose 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 the form of paddy, brown or milled rice.

Item V. Self-Help Measures:

The Government of Indonesia continues to accord priority attention to self-help measures as agreed upon in the Eighth Supplement. Within this context, the Government of Indonesia agrees to give highest priority to the following measures:

A. The Government will make every effort to maintain the price of rice to the farmers at levels sufficient to encourage farmers to use optimum quantities of fertilizer, pesticides, and high yielding varieties of seed. In 1970/71 domestic rice procurement and sales by the Government will be adjusted to changes in the price and supply situation, particularly to maintain the minimum price as established by the Government of Indonesia's economic stabilization board. The Government of Indonesia will make maximum efforts immediately to publicize this minimum price using particularly the radio broadcasting facilities of the Department of Information and the extension service.

B. The Ministry of Agriculture will design and place in operation a unified producer price reporting system which will provide authorities in Djakarta with biweekly prices of stalk paddy and brown rice at the sub-district (*Ketjamatan*) level in all major rice producing areas. A pilot sampling system to report actual producer prices will be established in selected rice surplus producing Kabupatens (Counties) of Java by September 1, 1970. When this system is functioning the Ministry of Agriculture will seek the means to disseminate reports on farm level prices to all farmers in major rice producing areas.

C. In conjunction with the establishment of a producer price reporting system, the government will establish uniform national standards for grading milled rice and will utilize such standards in all of its trading in selected areas by October 1970. It will encourage all those engaged in milling, storage and trading rice to adopt the use of these standards. These standards will be incorporated into market news reports as soon as feasible.

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

A. All rupiah proceeds are to be allocated to the Development Budget, for the self-help measures in Item V, and such other economic development purposes as may subsequently be agreed upon.

B. At the end of the Indonesian fiscal year, or more often if necessary, a listing of specific projects arranged by sector will be prepared which will show the amount of rupiahs allocated to each project, the total amount of rupiahs allocated to each sector, and the percentage the latter constitutes of the whole. When the Government of the United States has expressed concurrence in the intended allocation, funds will be transferred to the Development Budget.

Item VII. Other Provisions:

Ocean Transportation: The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in United States flag vessels but, notwithstanding the provisions of paragraph 1 of the Convertible Local Currency Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

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

DONE at Djakarta, in duplicate, this 10th day of April, nineteen hundred and seventy.

For the Government
of the United States of America:

F. J. GALBRAITH

For the Government
of the Republic of Indonesia:

OEMAR SENO ADJI