

**No. 12962**

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**BRAZIL  
and  
CANADA**

**Agreement relating to terms of financing for the sale of  
wheat by Canada. Signed at Brasília on 22 December  
1972**

*Authentic texts: Portuguese, English and French.*

*Registered by Brazil on 14 January 1974.*

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**BRÉSIL  
et  
CANADA**

**Accord au sujet des conditions du financement de blé vendu  
par le Canada. Signé à Brasília le 22 décembre 1972**

*Textes authentiques : portugais, anglais et français.*

*Enregistré par le Brésil le 14 janvier 1974.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL AND THE GOVERNMENT OF CANADA RELATING TO TERMS OF FINANCING FOR THE SALE OF WHEAT BY CANADA

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The Government of the Federative Republic of Brazil and the Government of Canada, desiring to establish terms of financing for the sale of wheat by Canada to Brazil:

Have agreed as follows:

*Article I.* The Government of the Federative Republic of Brazil shall buy in Canada, through Junta Deliberativa do Departamento de Trigo da Superintendência Nacional do Abastecimento, a minimum quantity of 300,000 (three hundred thousand) metric tons of Canadian wheat, and Canada shall supply, through The Canadian Wheat Board, a maximum quantity of 600,000 (six hundred thousand) metric tons of Canadian wheat, for shipment from Canadian ports during the four calendar years 1973 to 1976 inclusive:

(a) For the first year of the Agreement, calendar year 1973, the quantities to be purchased and shipped shall be 200,000 (two hundred thousand) metric tons, 5 per cent more or less.

(b) For subsequent years of the Agreement, the quantities to be purchased and shipped shall be determined annually, but shall not exceed in any year 200,000 (two hundred thousand) metric tons, 5 per cent more or less.

*Article II.* Under this Agreement, Junta Deliberativa do Departamento de Trigo da Superintendência Nacional do Abastecimento and the Canadian Wheat Board will conclude a protocol in respect of the grades of wheat, delivery terms, prices and other commercial conditions. Under the terms of such protocol, purchases of wheat shall be made by the Banco do Brasil S.A. — Carteira de Comercio Exterior (CACEX) from an Agent of Agents of the Canadian Wheat Board.

*Article III.* The payment terms, which will apply to all shipments made in accordance with article I, shall be as follows:

A cash payment of 5 per cent of the gross invoice value of each cargo on date of each shipment, and the balance of 95 per cent payable in equal instalments, with the first payment due two years from the bill of lading date. Subsequent payments will be due at intervals of six months thereafter, provided final payment will become due not more than ten years after date of shipment. Any semi-annual payments may be made in advance. Interest will be payable semi-annually at 2½ per cent per annum, on the principal balance outstanding calculated from date of each shipment.

*Article IV.* The Export Development Corporation, an agency of the Canadian Government, will be instructed to insure, at a premium rate of 0.250 per cent per annum, 95 per cent of the gross invoice value, including interest, of each cargo for the first two years from bill of lading date, and thereafter the outstanding

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<sup>1</sup> Came into force on 22 December 1972 by signature, in accordance with article VIII.

principal plus interest, on the purchases made in accordance with the provision of article I and in accordance with the terms of payment in article III. An amount equal to this charge shall be payable in total by the Government of the Federative Republic of Brazil on bill of lading date.

*Article V.* The Government of the Federative Republic of Brazil guarantees that payments will be made on the dates in accordance with the terms of payment in article III.

*Article VI.* The Government of the Federative Republic of Brazil shall not divert to another country any wheat purchased under these arrangements without obtaining prior approval from Canada.

*Article VII.* 1. The Government of the Federative Republic of Brazil and the Government of Canada agree that the concessional sale of wheat pursuant to this Agreement should not disrupt normal commercial trade in this commodity. To this end the Government of the Federative Republic of Brazil shall undertake reasonable precautions and measures to:

- (a) ensure that deliveries of Canadian wheat pursuant to this Agreement are additional to any "Usual Marketing Requirement" (U.M.R.) established in accordance with the provisions of paragraph 2 of this article;
- (b) ensure that there is no export of wheat from Brazil during the period of delivery without prior consultation with the Government of Canada; and
- (c) supply, upon request, information concerning the above undertakings to be provided to the Government of Canada.

2. (a) For those years in which Canada will be the major supplier of concessional wheat the Government of the Federative Republic of Brazil and the Government of Canada undertake to negotiate a U.M.R. The determination of the U.M.R. shall be made in accordance with the F.A.O. Principles and Guiding Lines, at the time of the conclusion of the protocol in respect of grades, quantities, prices, delivery dates and other conditions for wheat to be delivered the next following calendar year, but in any event not later than December 31 of the calendar year immediately preceding the year to which the U.M.R. shall apply.

(b) Notwithstanding any other provisions of this Agreement, Canada shall not be obliged to supply wheat under this Agreement in any year during which Canada is expected to be the major supplier of wheat on concessional terms, and in respect of which no U.M.R. has been established that is mutually acceptable to the Government of the Federative Republic of Brazil and of Canada.

(c) Having taken into account the significant reduction in Brazilian wheat production and the corresponding abnormal level of import requirements for calendar year 1973, it has been agreed that Brazil's U.M.R. for that year shall be established at a level of 1.5 million metric tons.

*Article VIII.* This Agreement shall enter into force on the date of signature.

IN WITNESS WHEREOF the undersigned, duly authorized by their respective Governments, have signed the present Agreement.

DONE in two copies at Brasilia in the English, French, and Portuguese languages, each version being equally authentic, this twenty-second day of December 1972.

For the Government  
of the Federative Republic  
of Brazil:

MARIO GIBSON BARBOZA

For the Government  
of Canada:

BARRY CONNELL STEERS

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