No. 13337

UNITED STATES OF AMERICA
and
ISRAEL

Agreement for sales of agricultural commodities. Signed at Washington on 13 October 1972

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Washington, 19 November 1973

Authentic text: English.

Registered by the United States of America on 30 May 1974.

ÉTATS-UNIS D'AMÉRIQUE
et
ISRAËL

Accord relatif à la vente de produits agricoles. Signé à Washington le 13 octobre 1972

Échange de notes constituant un accord modifiant l'Accord susmentionné. Washington, 19 novembre 1973

Texte authentique : anglais.

Enregistrés par les États-Unis d'Amérique le 30 mai 1974.

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Israel have agreed to the sales of commodities specified below. This agreement shall consist of the preamble, parts I and III, and the Dollar Credit annex of the August 4, 1967, Agreement[2] and the following part II:

PART II

PARTICULAR PROVISIONS

ITEM I. *Commodity Table*

Commodity	*Supply period (United States calendar year)*	*Approximate maximum quantity (Metric tons)*	*Maximum export market value (millions)*
Feedgrains	1973	650,000	$41.6
Wheat/wheat flour	1973	200,000	16.9
Edible vegetable oil	1973	15,000	3.6
Tobacco	1973	200	0.4
		TOTAL	$62.5

ITEM II. *Payment terms*

Dollar Credit

1. Initial Payment — 5 percent.
2. Number of Installment Payment — 19.
3. Amount of Each Installment Payment — Approximately equal annual amounts.
4. Due Date of First Installment Payment — Two years after the date of last delivery of commodities in each calendar year.
5. Initial Interest Rate—2 percent.
6. Continuing Interest Rate — 3 percent.

[1] Came into force on 13 October 1972 by signature, in accordance with part III (B).

[2] United Nations, *Treaty Series*, vol. 653, p. 81.

ITEM III. *Usual marketing table*

Commodity	*Import period (United States calendar year)*	*Usual marketing requirements (metric tons)*	
Feedgrains	1973	268,000	
Wheat	1973	135,000	(wheat equivalent)
Edible vegetable oil or oilseeds (oil equivalent basis)	1973	22,000	(of which at least 17,000 MT shall be imported from the United States)
Tobacco	1973	2,300	

ITEM IV. *Export limitations*

A. With respect to each commodity financed under this Agreement, the export limitation period for the same or like commodity shall be United States Calendar Year 1973 or any subsequent calendar year during which said commodities financed under this Agreement are being 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 feedgrains — corn, cornmeal, barley, grain sorghum, rye, oats and mixed feeds containing predominantly such grains, except seeds, animal products, and industrial products; for wheat/wheat flour — wheat, wheat flour, rolled wheat, semolina, farina, and bulgur; for edible vegetable oil — edible vegetable oils including peanut oil, soybean oil, safflower oil, cottonseed oil, sunflower oil, rapeseed oil, sesame oil, and the oil bearing seeds or beans thereof.

C. During United States Calendar Year 1973 the following permissible export arrangements are in effect:

1. Israel may export 25,000 metric tons of edible vegetable oils (including oil equivalent of edible oil bearing seeds) to countries friendly to the United States of America, provided that for each ton of edible vegetable oils exported, including oil equivalent of edible oil bearing seeds, the Government of Israel will purchase commercially from the United States of America an equivalent amount of edible vegetable oil or edible oil bearing seeds (calculated on the basis of soybeans with an oil extraction rate of 17.5 percent). These offsetting purchases will be in addition to the usual marketing requirement for edible vegetable oils.
2. Israel may export soybean meal, sunflower seeds and peanuts (not for crushing), edible olives, olive oil, desiccated coconut meat and industrial oils, and oilseeds without offsetting purchase requirements.
3. Israel may export margarine and/or shortening provided the Government of Israel purchases commercially from the United States of America an amount of edible vegetable oil or oil bearing seeds equivalent to the edible oil content of the margarine and/or shortening exported. These offsetting purchases will be in addition to the usual marketing requirements for edible vegetable oils. The extraction rate of edible oil bearing seeds to be used in calculation of the equivalent amount of edible oil contained in the margarine and/or shortening will be calculated on a basis of soybeans with an oil extraction rate of 17.5 percent.

4. Israel may export barley malt and up to $150,000 worth of corn starch.

ITEM V. *Self-help measures*

The Government of Israel, in maintaining their policy of increased agricultural production, will continue self-help activities in the following areas:

1. Further increased food production through intensive use of existing cropland.
2. Improve the facilities for the storage and distribution of food commodities.
3. Continue emphasis on adaptive research to develop new high-yielding crop varieties.

ITEM VI. *Economic development purposes for which proceeds accruing to importing country are to be used*

The proceeds accruing to the importing country from the sale of commodities financed under this Agreement will be used for financing the self-help measures set forth in item V and for the following sectors as described in the Government of Israel's Development Plan for the National Economy: Agriculture, Electricity, Water, Transport, and Construction.

ITEM VII. *Ocean freight (differential)*

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 Dollar Credit annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

ITEM VIII. *Other provisions*

Substitute the following for paragraph 4 of the Dollar Credit annex:

"The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this Agreement, to be applied to the economic development uses set forth in part II of this Agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the payment, if any, made by the Government of the importing country pursuant to the proviso in Section 103(*b*) of the Act (such payment is herein called 'the currency use payment'). The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedures, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in the case of expenditures the budget sector in which they were used."

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

DONE at Washington, in duplicate, this thirteenth day of October, 1972.

For the Government of the United States of America:
JOSEPH JOHN SISCO

For the Government of Israel:
Y. RABIN

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND ISRAEL AMENDING THE AGREEMENT OF 13 OCTOBER 1972[2] FOR SALES OF AGRICULTURAL COMMODITIES

I

The Secretary of State to the Israeli Ambassador

DEPARTMENT OF STATE
WASHINGTON

November 19, 1973

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed on October 13, 1972,[2] and to propose that in part II, item I, the Commodity Table be amended as follows: (A) for wheat/wheat flour, to reduce the maximum export marketing value from $16.9 million to $16.2 million; and (B) for edible vegetable oil, to increase the maximum export marketing value from $3.6 million to $4.3 million. The total maximum export marketing value remains unchanged at $62.5 million.

All other terms and conditions of the October 13, 1972, Agreement remain the same.

If the foregoing is acceptable to your Government, I have the honor to propose that this note and your reply concurring therein constitute an agreement between our two Governments to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:
JOSEPH J. SISCO

His Excellency Simcha Dinitz
Ambassador of Israel

II

The Israeli Ambassador to the Secretary of State

EMBASSY OF ISRAEL
WASHINGTON, D.C.

AO/454

19 November 1973

Sir:

I have the honor to refer to the Department note of today's date in which an amendment to the Agricultural Commodities Agreement between our two

[1] Came into force on 19 November 1973, the date of the note in reply, in accordance with the provisions of the said notes.

[2] See p. 238 of this volume.

Governments signed on October 13, 1972, is proposed as follows:

[*See note I*]

The foregoing amendment is acceptable to the Government of Israel and we concur that this constitutes an agreement between our two Governments to enter into force on this date.

Accept, Sir, the renewed assurances of my highest consideration.

[*Signed*]
SIMCHA DINITZ
Ambassador

The Honorable Dr. Henry A. Kissinger
Secretary of State
Washington, D.C.