

No. 13334

**UNITED STATES OF AMERICA
and
URUGUAY**

**Agreement for sales of agricultural commodities. Signed at
Montevideo on 17 May 1972**

**Exchange of notes constituting an agreement amending the
above-mentioned Agreement. Montevideo, 25 September
1972**

Authentic texts: English and Spanish.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
URUGUAY**

**Accord relatif à la vente de produits agricoles. Signé à
Montevideo le 17 mai 1972**

**Échange de notes constituant un accord modifiant l'Accord
susmentionné. Montevideo, 25 septembre 1972**

Textes authentiques : anglais et espagnol.

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

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Oriental Republic of Uruguay have agreed to sales of agricultural commodities specified below. This Agreement shall consist of the preamble, parts I and III and the Dollar Credit Annex of the January 19, 1968 Agreement² and the following part II:

PART II PARTICULAR PROVISIONS

ITEM I. *Commodity table*

<i>Commodity</i>	<i>Supply period (U.S. calendar year)</i>	<i>Approximate maximum quantity (Metric tons)</i>	<i>Maximum export market value (\$ millions)</i>
Wheat/wheat flour.....	1972	120,000	\$7.2

ITEM II. *Payment terms*

Dollar Credit

1. Initial Payment—None.
2. Currency Use Payment—None.
3. Number of Instalment Payments—19.
4. Amount of Each Instalment Payment—approximately equal annual instalments.
5. Due Date of First Instalment Payment—two years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate—two percent.
7. Continuing Interest Rate—three percent.

ITEM III. *Usual marketing requirement*—None

ITEM IV. *Export limitations*

A. The export limitation period shall be calendar year 1972 or any subsequent year in which commodities financed under this Agreement are being imported and utilized.

B. For the purpose of part I, article III, A3, of the Agreement the commodities considered to be the same as the commodities imported under this Agreement are:

¹Came into force on 17 May 1972 by signature, in accordance with part III (B).

²United Nations, *Treaty Series*, vol. 698, p. 3.

for wheat/wheat flour—wheat/wheat flour, rolled wheat, semolina, farina and bulgur (or some products under a different name).

ITEM V. *Self-help measures*

The Government of Uruguay agrees to:

1. Immediately implement the first stage of the Grain Storage Program to include construction of several silos with a total capacity of approximately 55,000 tons.

2. Establish a permanent mechanism to coordinate the Ministry of Livestock and Agriculture, the Ministry of Economy and Finance, the Office of Planning and Budget, the Bank of the Republic, the Central Bank and other institutions involved, in the establishment of a wheat support price, credit availability, taxes, subsidies and costs related to wheat, so as to obtain desired levels of wheat production during years of normal weather conditions. The Government of Uruguay will publicly announce this policy, and adjust the support price as required by price levels and exchange rate changes.

3. Establish a national grain board which will contribute to the formulation of Government of Uruguay policies with respect to grain prices, purchases, storage, exportation and importation and be charged with the implementation of such policies.

4. Prepare studies by the Ministry of Livestock and Agriculture and the Bank of the Republic in order to establish the relationship between acreage planted and the yield, and the various factors which affect production costs to the wheat producer such as the availability and the price of inputs, the availability and the cost of production credit, taxes, etc., and those factors which may affect producer income such as product price, marketing credit, etc. These studies will be utilized to establish support price levels, producer credits, etc., so that during normal years wheat production can achieve sufficient levels to meet domestic requirements plus an exportable surplus of approximately 25 percent of the total.

5. Reorganize the section of the Ministry of Livestock and Agriculture responsible for agrarian statistics and improve surveys and statistical reports on acreage sown, yields and other production and utilization data of the principal grains and oilseeds.

6. Establish within the various sections of the Ministry of Livestock and Agriculture involved in agricultural economic activities adequate technical specialization in order to make available three functional units that will provide: (a) immediate advice on technical matters; (b) planning and policy studies, and project development (ОПРПА), and (c) agricultural statistics and economic studies pertaining to the sector.

7. Complete first stage soils maps for IMPROME land productivity tax and implement the technical evaluation of land production levels for IMPROME tax assessment purposes. Improve IMPROME administration, auditing and collection of delinquent returns. Review IMPROME and propose to Congress amendments to the law which will make the taxes more equitable, as a part of a coordinated plan to

replace prior discounts (*detracciones*), and generally increase tax revenues from IMPROME.

8. Include in the monetary budget for 1973 adequate production credit to finance the 1973–74 wheat crop and other grain crops.

9. To also make available from the monetary budget for 1972–1973 and from extra-budgetary resources, an adequate reserve of funds so as to assure the financing of support prices for wheat and other grains for the 1972–73 crop year.

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

For purposes specified in item V and for other economic development purposes as may be mutually agreed upon.

ITEM VII. *Ocean freight financing*

The Government of the exporting country shall bear the cost of the ocean freight differential for commodities it requires to be carried in U.S. 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. *Issuance of purchase authorizations*

Authorizations to purchase grain under the Agreement will be issued in increments of approximately one-fourth of the value of the Agreement. The first two will be issued immediately after the signing of the Agreement, and issuance of the next two will be subject to a joint United States Government—Government of Uruguay review of the needs of Uruguay.

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

DONE at Montevideo, in duplicate, this 17th day of May 1972.

For the Government
of the United States of America:
C. W. ADAIR, Jr.

For the Government
of Uruguay:
JOSÉ A. MORA OTERO

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
 BETWEEN THE UNITED STATES OF AMERICA AND THE
 ORIENTAL REPUBLIC OF URUGUAY AMENDING THE
 AGREEMENT OF 17 MAY 1972 FOR SALES OF AGRICULTURAL
 COMMODITIES²

I

The American Ambassador to the Uruguayan Minister of Foreign Affairs ad interim

EMBASSY OF THE UNITED STATES OF AMERICA

No. 392

Montevideo, September 25, 1972

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by the representatives of our two Governments on May 17, 1972,² and to propose amendment as follows:

(A) Part II, Item I, Commodity Table, is amended to read as follows:

<i>Commodity</i>	<i>Supply period</i>	<i>Approximate maximum quantity (Metric tons)</i>	<i>Maximum export market value (Millions of US\$)</i>
Wheat/wheat flour	US calendar year 1972	120,000	\$ 7.2
Feedgrains.....	US fiscal year 1973	70,000	4.4
Vegetable oil.....	US fiscal year 1973	8,500	2.1

TOTAL \$13.7

(B) Part II, Item III, Usual Marketing Requirements, is amended to read as follows:

<i>Commodity</i>	<i>Import Period</i>	<i>Usual marketing requirement</i>
Wheat/wheat flour	US calendar year 1972	None
Feedgrains.....	US fiscal year 1973	None
Vegetable oil.....	US fiscal year 1973	3,500 MT

(C) Part II, Item IV, Export Limitations, is amended by deleting the present subparagraph A and substituting the following:

“A. The export limitation period for wheat/wheat flour shall be calendar

¹Came into force on 25 September 1972, the date of the note in reply, in accordance with the provisions of the said notes.

²See p. 170 of this volume.

year 1972 or any subsequent calendar year in which wheat/wheat flour financed under this Agreement is being imported and utilized. The export limitation period for feedgrains shall be United States fiscal year 1973 or any subsequent United States fiscal year in which feedgrains financed under this Agreement are being imported and utilized.”

(D) Part II, Item IV, Export Limitations, is amended to add the following phrase at end of subparagraph B:

“For feedgrains—corn, cornmeal, barley (except malting barley), grain sorghum, rye, oats and mixed feeds containing predominantly such grains.”

(E) Part II, Item V, Self-Help Measures, is amended by adding the following sentence at end of measure number 3:

“One of the top priority policies for implementation by the National Grain Board will be to accumulate as rapidly as possible a reserve stock of wheat adequate to meet domestic consumption needs during periods of below average production resulting from adverse weather conditions and other causes.”

(F) Part II, Item V, Self-Help Measures, add the following Self-Help Measures numbered 10, 11, and 12:

“10. Take positive action to increase the production of grain sorghums in order to offset some of the demand for corn for livestock feed.”

“11. Develop a long-term plan and initiate action that will increase milk production and dairy-products processing capacity which will insure year-round supplies for internal consumption.”

“12. Provide sufficient budgetary support to OPYPA, especially to the marketing and external financing departments, so as to enable OPYPA to function at an expanded level of activities and be less dependent upon the support of extra budgetary resources (PL 480 and AID Loan Counterpart).”

All other terms and conditions of the May 17, 1972 Agreement remain the same.

US fiscal year 1973 begins on July 1, 1972 and ends on June 30, 1973.

If the foregoing is acceptable to your Government, I propose this note and your reply thereto constitute an agreement between our two Governments effective the date your note is received in reply.

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

C. W. ADAIR, Jr.

His Excellency Dr. Juan Carlos Blanco
Minister of Foreign Affairs ad interim
Montevideo

[TRANSLATION¹ — TRADUCTION²]

The Uruguayan Minister of Foreign Affairs ad interim to the American Ambassador

MINISTRY OF FOREIGN AFFAIRS

Montevideo, September 25, 1972

Mr. Ambassador:

I have the honor to acknowledge receipt of Your Excellency's note No. 392 of September 25, 1972, concerning the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1972, the text of which reads as follows:

[*See note I*]

I have the honor to confirm that the Government of the Republic of Uruguay concurs in the foregoing and agrees that Your Excellency's note and this reply shall be considered to constitute an agreement between our two Governments on this matter.

I take this opportunity to renew to Your Excellency the expressions of my highest consideration.

JUAN CARLOS BLANCO

His Excellency Charles Wallace Adair, Jr.
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Montevideo

¹Translation supplied by the Government of the United States of America.

²Traduction fournie par le Gouvernement du Etats-Unies d'Amérique.