

No. 14745

**UNITED STATES OF AMERICA
and
JAMAICA**

**Agreement for sales of agricultural commodities (with annex
and agreed minutes dated 18 April 1975). Signed at
Kingston on 16 April 1975**

**Amendment of part II, item I, of the above-mentioned
Agreement**

Authentic text of the Agreement: English.

*The Agreement and certified statement were registered by the United States of
America on 7 May 1976.*

**ÉTATS-UNIS D'AMÉRIQUE
et
JAMAÏQUE**

**Accord relatif à la vente de produits agricoles (avec annexe
et procès-verbal des négociations en date du 18 avril
1975). Signé à Kingston le 16 avril 1975**

**Modification de la partie II, point I, de l'Accord susmen-
tionné**

Texte authentique de l'Accord : anglais.

*L'Accord et la déclaration certifiée ont été enregistrés par les États-Unis
d'Amérique le 7 mai 1976.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF JAMAICA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Jamaica,

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Government of Jamaica (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understandings that will govern the sales of agricultural commodities to the importing country pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

PART I. GENERAL PROVISIONS

Article I

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this agreement, including the applicable annex which is an integral part of this agreement.

B. The financing of the agricultural commodities listed in Part II of this agreement will be subject to:

1. the issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and
2. the availability of the specified commodities at the time of exportation.

C. Application for purchase authorizations will be made within 90 days after the effective date of this agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days after the effective date of such supplementary agreement. Purchase authorizations shall

¹ Came into force on 16 April 1975 by signature, in accordance with part III (B).

include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this agreement shall be made within the supply periods specified in the commodity table in Part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this agreement shall not exceed the maximum export market value specified for that commodity and type of financing in Part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in Part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no responsibility to reimburse the Government of the exporting country or to deposit any local currency of the importing country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

Article II

A. Initial Payment

The Government of the importing country shall pay, or cause to be paid, such an initial payment as may be specified in Part II of this agreement. The amount of this payment shall be that proportion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in Part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. Type of Financing

Sales of the commodities specified in Part II shall be financed in accordance with the type of financing indicated therein, and special provisions relating to the sale are also set forth in Part II and in the applicable annex.

C. Deposit of Payments

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates specified elsewhere in this agreement as follows:

1. Payments in the local currency of the importing country (hereinafter referred to as local currency) shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.
2. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, unless another method of payment is agreed upon by the two Governments.

Article III

A. World Trade

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. insure 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 quantities of agricultural commodities as may be specified in the usual marketing table set forth in Part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each import period shall be in addition to purchases financed under this agreement;
2. take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America); and
3. take all possible measures to prevent the export of any commodity of either domestic or foreign origin which is the same as the commodities financed under this agreement during the export limitation period specified in the export limitation table in Part II (except as may be specified in Part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. Private Trade

In carrying out this agreement, the two Governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. Self-Help

Part II describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish, in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

D. Reporting

In addition to any other reports agreed upon by the two Governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in Item I, Part II, of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized:

1. the following information in connection with each shipment of commodities received under the agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally or, if shipped, where shipped;
2. a statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. a statement of the measures it has taken to implement the provisions of sections A2 and 3 of this Article; and
4. statistical data on imports and exports by country of origin or destination of commodities which are the same as those imported under the agreement.

E. Procedures for Reconciliation and Adjustment of Accounts

The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

F. Definitions

For the purpose of this agreement:

1. Delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initiated on behalf of the carrier;
2. Import shall be deemed to have occurred when the commodity has entered the country and passed through customs, if any, of the importing country; and
3. Utilization shall be deemed to have occurred when the commodity is sold to the trade within the importing country without restriction on its use within the country or otherwise distributed to the consumer within the country.

G. Applicable Exchange Rate

For the purposes of this agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate which is not less favorable to the Government of the exporting country than the highest of exchange rates legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest of exchange rates obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency.
2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this section G.

H. Consultation

The two Governments shall, upon request of either of them, consult regarding any matter arising under this agreement, including the operation of arrangements carried out pursuant to this agreement.

I. Identification and Publicity

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity as provided for in subsection 103(I) of the Act.

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

<i>Commodity</i>	<i>Supply Period (U.S. Fiscal Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (1,000)</i>
Blended Foods	1975	5,200	\$ 1,500
TOTAL			\$ 1,500

Item II. PAYMENT TERMS

Dollar Credit

1. Initial Payment—5 percent
2. Currency Use Payment—None
3. Number of Installment Payments—18
4. Amount of Each Installment Payment—Approximately equal annual amounts
5. Due Date of First Installment—One year after date of last delivery of commodities in each calendar year
6. Interest Rate—3 percent per annum

Item III. USUAL MARKETING TABLE

<i>Commodity</i>	<i>Import Period (U.S. Fiscal Year)</i>	<i>Usual Marketing Requirements</i>
Blended Foods	1975	None

Item IV. EXPORT LIMITATIONS

A. With respect to each commodity financed under this agreement the export limitation period for the same commodities shall be United States Fiscal Year 1975 or any subsequent United States Fiscal Year during which said commodities financed under this agreement are being imported or utilized.

B. For the purposes of Part I, Article III, A, 3, of the agreement, the commodities considered to be the same as the commodity financed under this agreement are: for blended foods—blended foods.

Item V. SELF-HELP MEASURES

The Government of Jamaica agrees to:

1. Strengthen the Forest Department of the Ministry of Agriculture by improving its organization, administration, and physical facilities and increasing reforested acreage.
2. Continue and improve as much as possible the coordinated efforts of population control programs through the National Family Planning Board.

3. Use its best efforts to increase the production of local food crops through Operation G.R.O.W. by furnishing through governmental and private means additional acreage for cultivation.
4. Strengthen, expand and improve the nutritional aspects and the preparation and distribution of foods in the school, pre-school and maternal and child health programs through the Nutrition Products Centre and other local facilities.
5. Disseminate information on the storage and handling of food commodities and improve the storage, handling and distribution of these commodities throughout the nation.

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 financing the school feeding program of the Government of Jamaica.

Item VII. OTHER PROVISIONS

The Government of Jamaica understands that the Food for Peace Act (PL 480) requires the agreement to provide for termination whenever the Government of the United States of America finds that the self-help program described in the agreement is not being adequately developed and that the Government of the United States of America can terminate the agreement in such a case under the termination clause in Part III of the agreement.

PART III. FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

B. This agreement shall enter into force upon signature.

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

DONE at Kingston, Jamaica, in duplicate, this 16th day of April 1975.

For the Government
of Jamaica:

[Signed]

MICHAEL MANLEY
Prime Minister
and Minister of External Affairs

For the Government
of the United States of America:

[Signed]

SUMNER GERARD
Ambassador

[Signed]

DAVID H. COORE
Minister of Finance

DOLLAR CREDIT ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF JAMAICA FOR SALES OF AGRICULTURAL COMMODITIES

The following provisions apply with respect to the sales of commodities financed on dollar credit terms:

1. 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 it shall not finance the balance of the cost of ocean transportation of such commodities.

2. With respect to commodities delivered in each calendar year, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country.

This principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

3. Interest on the unpaid balance of the principal due the Government of the exporting country for commodities delivered in each calendar year under this agreement shall begin on the date of last delivery of these commodities in such calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of last delivery and thereafter payment of interest shall be made not later than the due date of each installment payment of principal. For the period from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

4. 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 not be 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 non-governmental 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.

5. The computation of the initial payment under Part I, Article II, A of this agreement and all computations of principal and interest under numbered paragraphs 2 and 3 of this annex shall be made in United States dollars.

6. All payments shall be in United States dollars or, if the Government of the exporting country so elects,

a. The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G, of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations in the importing country; or

- b. The payment shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations.

AGREED MINUTES OF P.L. 480, TITLE I NEGOTIATIONS KINGSTON, JAMAICA

1. The negotiating session was held on April 10, 1975. The meeting was convened at 15:00 in the Ministry of Finance, GOJ, Kingston. It was chaired by Mr. Rupert Mullings, Deputy Financial Secretary, Ministry of Finance. Attending were:

Mr. Rupert Mullings, Ministry of Finance
Miss Rachael McLean, Ministry of Finance
Mrs. Lynnette White, National Planning Agency
Dr. Errol Miller, Permanent Secretary, Ministry of Education
Mr. Charles Bedasse, Ministry of Education
Mr. Charles Campbell, AID Affairs Officer, USAID/Jamaica
Mr. John H. Dunlap, Food for Peace Officer, USAID/Jamaica

2. Mr. Mullings opened the meeting and asked if this proposed agreement was the same as that of October 11, 1973. Mr. Dunlap advised that it was identical except for the quantities of commodities, the dollar amount and the shopping list. Mr. Dunlap also said that as the Ministry of Health and Environmental Control was a full partner in this agreement, which was not the case in the first agreement, someone from Health probably should be in this meeting. Miss McLean said she had not been able to reach Health to advise them of the meeting. Mrs. White then asked, and Mr. Dunlap agreed, to attend a meeting with the Chief Nutrition Officer of the Ministry of H. & E.C. (Miss Helen Fox) at 11:00, Friday, April 11, to discuss details of the agreement and help prepare the Ministry's request for commodities. Mr. Mullings then stated that it should not take much time to reach agreement in this meeting as he was fully cognizant of the financial requirements since they were identical to the earlier agreement.

3. Mr. Mullings then requested the shopping list (commodities which would be available). Mr. Campbell advised that he had been assured by Washington that Blended Foods as used in this agreement was not a restrictive term and would include the soya fortified processed grains as well as the corn soya blend and wheat soya blend. This would serve the Nutrition Products Center as basic in [that] its requirements are 6% Soya Fortified Wheat Flour and Soya Fortified Bulgur. He then read the list: CSB, WSB (instant varieties also if produced), and soya fortified bulgur, 6% and 12% soya fortified wheat flour, soya fortified rolled oats, soya fortified cornmeal and possibly soya fortified rolled wheat if it is produced. It was explained that the term Blended Foods would not include any commodities other than those processed with soya, i.e. blended or fortified.

4. The GOJ was advised by Mr. Campbell that although the agreement provides for 5,200 metric tons of commodities for U.S. \$1.5 million, because of supply problems and limitations on PL 480 expenditures, it might become necessary to withhold some shipments during the supply period. Although it is true that such action can be taken pursuant to Part I of the agreement it was felt necessary to call it to the attention of the GOJ representatives. Also, it was made clear that the dollar figure was controlling and if prices were to rise to such an extent that 5,200 metric tons could not be purchased for US \$1.5 million, the lesser tonnage would have to be acceptable. Mr. Dunlap also said that if prices fell and more tonnage could be purchased and was requested by GOJ, authorization by USDA/Washington would be required.

5. Mr. Campbell then explained the time element; that June 30, 1975, was the deadline for delivery of commodities on board vessels in U.S. ports. This means arrival in Kingston mid-July. The two problems then to confront the GOJ would be (a) to prepare orders for commodities and transmit them to the Jamaican Embassy in Washington and to USAID/Jamaica immediately after the signing, and (b) to consider the storage problem. It was agreed that 5,200 metric tons would serve GOJ requirements for a year, thus some commodities would need to be stored for that period. This would be a difficult task as well as being expensive and chancey.

6. On storage Dr. Miller thought the MOE had sufficient for its requirements but as the shipments would arrive in July and schools were not in session June into September the problem would be more serious. He said probably five months' supply could be held without deterioration or spoilage. This would carry them into January. Although the MOH&EC was not represented the consensus was that it would have a serious problem holding commodities beyond six months.

7. Dr. Miller and Mr. Badesse agreed to prepare an order list soon and submit immediately after signing. Mrs. White said Health would do the same after meeting with Mr. Dunlap on April 11.

8. Mr. Campbell raised the question of reporting and mentioned that reports under the October 11 agreement had not been submitted in a timely fashion. Mr. Mullings said the people who would handle this agreement would have to comply with regulations.

9. On the matter of agents in the U.S. representing the GOJ, Mr. Mullings said they would use the same agents and procedures as during implementation of the first agreement. This was satisfactory.

10. Publicity was agreed to be handled as during the past year.

11. The self-help measures were discussed and agreed.

12. It was agreed that arrangements for signing would be completed by telephone and the signing would be scheduled for a day during the week of April 14.

13. The meeting was adjourned at 16:00.

No further formal meetings were contemplated but individual, informal meetings between representatives of the Ministries of Finance, Education and Health and Environmental Control with Mr. John H. Dunlap, Food for Peace Officer, USAID/Jamaica were planned until details with respect to requirements and reporting were completed.

[Signed—Signé]¹

[Signed—Signé]²

18 April 1975

¹ Signed by Charles P. Campbell — Signé par Charles P. Campbell.

² Signed by R. Mullings — Signé par R. Mullings.

AMENDMENT OF PART II, ITEM I, OF THE AGREEMENT OF 16 APRIL 1975¹ BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF JAMAICA
FOR SALES OF AGRICULTURAL COMMODITIES

By an agreement in the form of an exchange of notes dated at Kingston on 9 June 1975, which came into force on 9 June 1975, the date of the note in reply, in accordance with the provisions of the said notes, it was agreed to substitute "1975 plus first six months of FY 1976 (through December 31, 1975)" for "1975" in the table corresponding to item I, under the column marked "Supply Period".

¹ See p. 132 of this volume.