

No. 16624

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**UNITED STATES OF AMERICA**  
**and**  
**PERU**

**Agreement relating to transfers of agricultural commodities.**  
**Signed at Lima on 21 July 1976 and at Washington on**  
**8 August 1976**

**Agreement amending the above-mentioned Agreement.**  
**Signed at Lima on 14 and 20 December 1976**

*Authentic text of the Agreement: English.*

*Authentic texts of the Amending Agreement: English and Spanish.*

*Registered by the United States of America on 27 April 1978.*

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

**Accord relatif au transfert de produits agricoles. Signé à**  
**Lima le 21 juillet 1976 et à Washington le 8 août 1976**

**Accord portant modification de l'Accord susmentionné.**  
**Signé à Lima les 14 et 20 décembre 1976**

*Texte authentique de l'Accord : anglais.*

*Textes authentiques de l'Accord portant modification : anglais et espagnol.*

*Enregistrés par les États-Unis d'Amérique le 27 avril 1978.*

## AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND PERU RELATING TO TRANSFERS OF AGRICULTURAL COMMODITIES

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C.

### TRANSFER AUTHORIZATION

School Feeding  
Executive Vice President  
Commodity Credit Corporation  
U.S. Department of Agriculture  
Washington, D.C.

AID No. 527-XXX-000-6652  
*Program Approval Date:*  
May 17, 1976  
*Program Title:*  
School Feeding Program

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 102 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver commodities listed below to Peru in an amount not to exceed \$2,629,080 pursuant to the following instructions:

1. *Quantity* — Metric tons not to exceed:

<i>Previous Total</i>	<i>Increase</i>	<i>Decrease</i>	<i>Total to Date</i>
	6,820		6,820

2. *Commodities to be provided as follows:*

<i>Code No.</i>	<i>Commodity</i>	<i>Amount Metric Tons</i>	<i>CCC Value \$</i>	<i>Export Market Value \$</i>
048.8440	Instant CSM	1,700	656,200	584,800
048.1110	S.F. Bulgur	1,300	291,200	260,000
046.0020	S.F. Flour	3,400	928,200	826,200
421.2040	Veg oil	420	753,480	671,160
	TOTAL	6,820	\$2,629,080	\$2,342,160

3. *Estimated U.S. Government Ocean Transportation Costs: \$325,000*

All actual ocean transportation expenditures under this program, regardless of estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. *Specifications:*

Wheat flour—Soy-Fortified Bread Flour, enriched and bleached, bagged 50 lbs.  
Bulgur—Soy-Fortified, bagged 50 lbs. net.  
Instant CSM—Blended food product, bagged 50 lbs. net.  
Vegetable Oil—Edible, salad type, in 1 gallon cans.

<sup>1</sup> Came into force on 8 August 1976 by signature.

5. *Shipping Instructions:*

- A. Delivery Schedule: ASAP
- B. Ports of Discharge: To be advised.
- C. Consignee:
  - Dirección de Alimentación
  - Ministerio de Salud
  - OCECO/PAE
  - Independencia 560
  - Lima, 17, Peru
- D. Inspection: Vessels shall be inspected prior to loading grain and/or grain products to assure that the stowage spaces to be used are clean, free from insect infestation, and suitable for the grain and/or grain products authorized herein.

6. *Program Objectives and Use of Commodities:*

A. The commodities authorized herein are contributed by the United States to the Government of Peru in support of its efforts to continue the national primary school feeding program during the 1976 school year. The program approved herein covers all of the 1976 school year.

B. The program approved herein shall be carried out under the direction and supervision of the Government of Peru through the School Feeding Program Division of the Ministry of Public Health and Social Welfare.

C. The Government of Peru, through the School Feeding Program Division, shall be responsible for all internal costs entailed in the implementation of the program approved herein.

D. The program will provide a breakfast or lunch to approximately 500,000 primary school students. The total commodity requirement for one school year is 10,950 metric tons. During FY 76 the Government of Peru is to provide 4,130 MT of commodities (38%) and 6,820 MT (62%) are provided through Title II. It is planned that the Title II input will be reduced to 4,320 MT (39%) in 1977 and 1,640 MT (15 percent) in 1978— with corresponding increases in Government of Peru inputs to a point where they accept full responsibility beginning in 1979.

E. The commodities authorized herein shall not be used as payment-in-kind to processor(s) for services rendered and the total quantity of Title II commodities supplied to the processor(s) shall be returned in the end product to be distributed to recipients eligible under the program approved herein.

F. In implementing the program approved herein, the Government of Peru, through the School Feeding Program Division, agrees to:

- 1) provide an adequate budget for the effective administration and supervision of the program at the national, provincial and individual school level;
- 2) offer guidance and training to teachers, food supervisors, cooks, and volunteer workers in food preparation and serving, nutrition education, school lunch administration and logistics, and related subjects;
- 3) arrange for processing the Title II commodities supplied herein into different end products only on the basis of written agreements with such processors and subject to the prior approval of the agreements by USAID/Peru;
- 4) develop and maintain a monitoring system which shall ensure that the operations of the program are under continuous review from the point at which the Title II commodities authorized hereunder enter the country until consumed by the eligible recipients;

- 5) carry out in each Department participating in the program an effective and uniform monthly reporting system on (a) inventories, distribution and utilization of the Title II commodities authorized herein; and (b) numbers of recipients by schools receiving such commodities;
- 6) provide the necessary funds to Departmental Coordinators to ensure periodic end-use inspections at the provincial and individual school levels as part of 4) and 5) above;
- 7) conduct at least one comprehensive internal audit annually, or a series of audit examinations which, when combined, will represent a complete examination of the Title II program;
- 8) submit quarterly reports to USAID/Peru, in a format prescribed by USAID/Peru, on the operation of the program, showing for each Department or Coordination (a) kinds and quantities of Title II commodities received and utilized, and inventories on hand; (b) the actual number of recipients served during the reporting period; and (c) the sale of containers and proceeds therefrom per paragraph G below;
- 9) make available to USAID/Peru for its review copies of internal audit reports and end-use inspections per 6) and 7) above;
- 10) provide USAID/Peru with copies of the executed agreements for processing of any of the Title II commodities supplied hereunder per 3) above.

G. It is agreed that proceeds from the sale of containers in which Title II commodities authorized hereunder are received shall be deposited in a Special Account established by the School Feeding Program Division specifically for this purpose. It is further agreed that such funds and any funds generated from charges made to recipients on the basis of ability to pay shall be used in accordance with AID Regulation 11, section 211.5(i).

H. It is agreed that in the event of temporary shortages of commodities authorized herein, borrowing of same or similar commodities from local sources, including commercial stocks and/or other Title II programs, shall not take place without prior written authorization from USAID/Peru. It is further agreed that if such a transaction does occur without USAID/Peru authorization, the USG is not obligated to replace the commodities borrowed.

I. Anything herein contained to the contrary notwithstanding, it is understood and agreed that continuation of the program beyond the period approved herein shall be dependent upon (1) commodity availability from the United States; (2) continued existence in both countries of legal authority and/or appropriations for this type of activity; (3) satisfactory program operation; and (4) development of a scheduled phase-up of the Peruvian contribution, including food, and a proposed phase-down of the U.S. Title II food contribution.

J. None of the commodities authorized herein may be shipped after December 31, 1976.

#### 7. *Transportation:*

A. The U.S. Government (USG) will be responsible for all costs incurred in the procurement, inspection and delivery of the commodities authorized herein F.A.S. vessel at designated U.S. ports.

B. The USG will be responsible for arranging ocean transportation and payment of freight for 50 percent of the commodities required to be shipped on U.S. flag vessels to comply with P.L. 664 (Cargo Preference Act). The Government of Peru (GOP) will be responsible for arranging ocean transportation and payment of freight for the balance of the commodities (USG would be agreeable to book and to perform forwarding services

for any such cargo). The USG will prior approve as to vessel name, loading date (laydays in the case of charters) and loading rate (where applicable) for all bookings by the GOP.

C. Dispatch and demurrage:

- 1) *At loading ports*: Dispatch and demurrage for U.S. financed vessels is for the account of the USG. Dispatch and demurrage for GOP financed vessels is for the account of the GOP except demurrage incurred as a result of USG failure to position cargo so that the vessel can commence loading within its laydays and load continuously is for the account of the USG.
- 2) *At discharge ports*: Dispatch earned on USG financed vessels is to be retained by the USG. Dispatch earned on GOP financed vessels is for the account of the GOP. Demurrage for all vessels is for the account of the GOP.

D. General Average: The USG will respond in general average and process and retain proceeds of ocean freight claims on USG financed vessels. The GOP will respond in general average on GOP financed vessels and will process and retain proceeds of ocean freight claims arising on such vessels.

E. Pursuant to Regulation 11, Section 211.9(c), the GOP will arrange for an independent cargo discharge survey and will furnish to the USAID/Peru, within 30 days after discharge, a copy of all such discharge survey and outturn reports.

8. *Port Charges*:

The GOP, with respect to that portion of the commodities carriage cost financed by the USG, shall open an irrevocable letter of credit within fifteen days of the date on which it signs this Transfer Authorization, in favor of and acceptable to the Commodity Credit Corporation (CCC) of the U.S. Department of Agriculture in an amount no less than ten percent of anticipated freight costs under berth terms. The credit shall be payable upon presentation by CCC to the U.S. bank which issued or confirmed such letter of credit of a draft(s) accompanied by a copy(ies) of the applicable Public Voucher for Transportation Charges (Standard Form 1113) and a written statement that the amount is due CCC for ocean freight costs under the provisions of Transfer Authorization 527-XXX-000-6652, such amount to be ten percent of the ocean freight charges under berth terms shown on the accompanying respective applicable charter party(ies). The letter of credit will be available for drawings by CCC for at least 180 days after the date of the last shipment of the commodity authorized herein.

*Date*: August 8, 1976.

[Signed]  
ROBERT R. SPITZER  
Coordinator, FFP

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

*Date*: Julio 21, 1976.<sup>1</sup>

J. PUENTE  
For the Government of Peru

<sup>1</sup> 21 July 1976.

AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND PERU  
AMENDING THE AGREEMENT OF 8 AUGUST 1976<sup>2</sup> RELATING TO  
TRANSFERS OF AGRICULTURAL COMMODITIES

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C.

TRANSFER AUTHORIZATION

School Feeding  
Executive Vice President  
Commodity Credit Corporation  
U.S. Department of Agriculture  
Washington, D.C.

Amendment No. 1  
AID No. 527-XXX-000-6652  
*Program Approval Date:*  
May 17, 1976  
*Program Title:*  
School Feeding Program

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 102 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver commodities listed below to PERU in an amount not to exceed \$2,629,080 pursuant to the following instructions:

*Purpose of Amendment:* To extend shipping date limitation from December 31, 1976 to December 31, 1977. The following paragraphs 6A and 6J are amended:

6. *Program Objectives and Use of Commodities:* (Amendment)

- A. The commodities authorized herein are contributed by the United States to the Government of Peru in support of its efforts to continue the national primary school feeding program during the 1976 and 1977 school years. The program approved herein covers all of the 1976 school year and all of the 1977 school year.
  - J. None of the commodities authorized herein may be shipped after December 31, 1977.
7. All other provisions remain unchanged.

*Date:* December 20, 1976.

ROBERT W. DEAN  
For the Government of the United States

<sup>1</sup> Came into force on 20 December 1976 by signature.

<sup>2</sup> See p. 102 of this volume.

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein, are hereby accepted.

*Date:* Lima, 14 de diciembre de 1976.<sup>1</sup>

For the Government of Peru:  
[Signed]  
JOSÉ DE LA PUENTE RADBILL  
Ministro de Relaciones Exteriores<sup>2</sup>

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<sup>1</sup> 14 December 1976.

<sup>2</sup> Minister for Foreign Relations.