No. 21007

UNITED STATES OF AMERICA
and
ISRAEL

Agreement for sales of agricultural commodities (with minutes of negotiations). Signed at Washington on 23 July 1980

Authentic text: English.

Registered by the United States of America on 15 April 1982.

ÉTATS-UNIS D'AMÉRIQUE
et
ISRAËL

Accord relatif à la vente de produits agricoles (avec procès-verbal des négociations). Signé à Washington le 23 juillet 1980

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 15 avril 1982.

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 agricultural commodities specified below. This Agreement shall consist of the preamble, parts I and III of the Agreement signed on December 16, 1974,[2] together with the following part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

Commodity	*Supply period (U.S. Fiscal Year)*	*Approximate maximum quantity (metric tons)*	*Maximum export market value (millions)*
Corn/grain sorghum	1980	9,000	$1.0

Item II. PAYMENT TERMS

Dollar credit

1. Initial payment: 5 percent.
2. Currency use payment: 10 percent for section 104(*a*) purposes.
3. Number of installment payments: 19.
4. Amount of each installment payment: approximately equal annual amounts.
5. Due date of first installment: two years after date of last delivery of commodities in each calendar year.
6. Initial interest rate: 2 percent.
7. Continuing interest rate: 3 percent.

Item III. USUAL MARKETING TABLE

Commodity	*Import period (U.S. Fiscal Year)*	*Usual marketing requirements*
Corn/grain sorghum	1980	860,000 M.T.

Item IV. EXPORT LIMITATIONS

A. The export limitation period shall be United States Fiscal Year 1980 or any subsequent United States Fiscal Year during which commodities financed under this Agreement are being imported or utilized.

B. For the purpose of part I, article III A(4), of the Agreement, the commodities which may not be exported are: feed grains—corn, cornmeal, barley, grain sorghum, rye and oats.

[1] Came into force on 23 June 1980 by signature, in accordance with article III (A) (see note 2 below).
[2] United Nations, *Treaty Series*, vol. 991, p. 413.

C. *Permissible exports*

Commodity	*Quantity (metric tons)*	*Period during which such exports are permitted*
Corn/grain sorghum as mixed feed	1,900	U.S. Fiscal Year 1980

Item V. SELF-HELP MEASURES

A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development process in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.

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

1. Improve the marketing infrastructure for both inputs and products;
2. Improve the storage and handling system for grains at port and inland locations;
3. Improve yields of wheat and other grains through continued genetic and other research, with emphasis on arid areas;
4. Improve water management and exploit available water resources.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED

A. 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 the Agreement and the agriculture and economic development sectors: agriculture and water resources.

B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

Item VII. OTHER

A. The Government of Israel will make its best effort to ensure that agricultural commodities provided under this Title I Agreement are restricted to use within the geographic areas which were subject to State of Israel administration prior to June 5, 1967.

B. The local currency proceeds generated from the sale of the Title I commodities intended for program uses under item V and item VI of the Agreement shall be restricted to use within the geographic areas which were subject to State of Israel administration prior to June 5, 1967.

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

DONE at Washington, this twenty-third day of July, 1980, in duplicate.

For the Government of the United States of America:	For the Government of Israel:
[Signed — Signé][1]	*[Signed — Signé]*[2]

[1] Signed by Harold H. Saunders — Signé par Harold H. Saunders.
[2] Signed by Ephraim Evron — Signé par Ephraim Evron.

MINUTES OF NEGOTIATION FOR AGREEMENT FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER U.S. PUBLIC LAW 480 FISCAL YEAR 1980

Representatives of the Government of the United States of America and the Government of Israel conducted negotiations in which the United States Government agreed to sell the State of Israel corn/grain sorghum valued at U.S. $1.0 million under the Title I provisions of U.S. Public Law 480. In the process of reviewing the provisions entered in the agreement, the following items of clarification and emphasis were brought to the attention of the Israeli negotiators:

1. The $1.0 million export market value of corn/grain sorghum mentioned in part II of the Agreement represents the maximum value for which a purchase authorization may be issued, and against which the initial payment will be measured.

2. The Israeli delegation requested much more wheat, vegetable oil, and feed grains than the U.S. can agree to under the current reduced budget. It was pointed out by the U.S. delegation during the negotiations that it is U.S. Government policy to phase-out many of the P.L. 480 programs with countries having a GNP per capita income in excess of $625 (based on International Development Association criteria).

3. Item II of part II (Payment terms) is the same as the previous agreement.

4. In the usual marketing table, the usual marketing requirement has been changed to corn/grain sorghum in Fiscal Year 1980 from wheat/wheat flour in the Calendar Year 1979 Agreement. The usual marketing requirement for corn/grain sorghum in Fiscal Year 1980 is 860,000 metric tons. During the discussion of this item, the Israeli delegation noted that it does not foresee any difficulty in complying with the level of the UMR this year.

5. Items V and VI of part II (Self-help measures and economic development use of proceeds) are substantially the same as the previous Agreement.

6. The requirements for advance information on intended purchases under the P.L. 480 Agreement were discussed. It was explained that such information is necessary in order to allow U.S. Department of Agriculture personnel to conform to U.S. legislative requirements covered by Section 410(A) and (B) of P.L. 480.

7. The distribution of title I commodities and of local currency proceeds generated from the sale of Title I commodities intended for program uses under items V and VI of the Agreement shall be restricted to use within the geographic areas which were subject to the State of Israel administration prior to June 5, 1967.

8. The Israeli delegation was reminded that reporting under P.L. 480 agreements is very important and were asked to submit the required reports as promptly as possible.

9. It was pointed out to the Israeli delegation that the Agreement permits the export of 1,900 metric tons of corn/grain sorghum and other feed grains as feed rations which normally contain an average of 60 percent feed grains and 40 percent feed concentrates.

10. The Israeli representatives agreed to continue the Usual Marketing Requirements for feed grains in order to assure normal commercial purchases after this Title I Agreement.

For the Government of the United States of America:

[*Signed — Signé*][1]

For the Government of Israel:

[*Signed — Signé*][2]

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[1] Signed by Harold H. Saunders — Signé par Harold H. Saunders.
[2] Signed by Ephraim Evron — Signé par Ephraim Evron.