

No. 23674

**BRAZIL
and
CANADA**

Long-term Wheat Agreement. Signed at Brasília on 10 October 1985

*Authentic texts: Portuguese, English and French.
Registered by Brazil on 31 December 1985.*

**BRÉSIL
et
CANADA**

Accord à long terme sur le blé. Signé à Brasília le 10 octobre 1985

*Textes authentiques : portugais, anglais et français.
Enregistré par le Brésil le 31 décembre 1985.*

LONG TERM WHEAT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL AND THE GOVERNMENT OF CANADA

The Government of the Federative Republic of Brazil and the Government of Canada:

Desirous of concluding a Long Term Wheat Agreement,
Have agreed as follows:

Article I. The Government of the Federative Republic of Brazil shall buy in Canada, through the Junta Deliberativa do Trigo da Superintendencia Nacional do Abastecimento (hereinafter referred to as the Junta) and the Banco do Brasil S.A.—Departamento de Comercialização do Trigo (CTRIN), and the Government of Canada shall supply to Brazil, through the Canadian Wheat Board (hereinafter referred to as the Board), a minimum quantity of 750,000 (seven hundred and fifty thousand) tonnes up to a maximum of 1,500,000 (one million five hundred thousand) tonnes annually of Western Canadian wheat during the three calendar years 1986 to 1988 inclusive.

Article II. The payment terms which apply to all shipments made in accordance with Article I shall be as follows:

- (a) Payment in cash upon presentation of shipping documents, against an irrevocable letter of credit opened by Banco do Brasil in favour of the Seller and to be advised through a Canadian chartered bank in Montreal, Canada,
- (b) Or, at Buyer's option, declarable prior to the beginning of each shipment month,

Payment under the following credit terms:

- (i) A cash payment of 10% (ten percent) of the F.O.B. value of each shipment on date of the ocean Bill of Lading and the balance payable: 1/3 of the F.O.B. value 18 (eighteen) months from the date of the ocean Bill of Lading; 1/3 of the F.O.B. value 30 (thirty) months from the date of the ocean Bill of Lading; 1/3 of the F.O.B. value 36 (thirty-six) months from the date of the ocean Bill of Lading.
 - (ii) Interest on the amounts outstanding on each shipment shall be payable semi-annually from the date of each ocean Bill of Lading. For the first six-month period interest shall be calculated at the rate payable by the Board on its borrowings from the Canadian chartered banks at Bill of Lading date for each cargo. On subsequent six-month periods interest shall be calculated on the basis of the rate payable by the board on its borrowings from the Canadian chartered banks at the commencement of each subsequent six month period.
- (c) In the event the Buyer exercises the credit option the following payment procedures shall apply:
- (i) Upon declaration of carrying vessel(s) the Buyer shall open an irrevocable letter of credit by Banco do Brasil in favour of the Board, to be advised

¹ Came into force on 10 October 1985 by signature, with effect from 1 January 1986, in accordance with article V.

through a chartered bank in Montreal, Canada, for an amount equivalent to 10 (ten) percent of the F.O.B. invoice value of the wheat.

- (ii) After loading of the grain, Bills of Exchange (Drafts) covering 90% (ninety percent) of the F.O.B. invoice value set out in sub-paragraph (b) (i) above are to be drawn and forwarded to Banco do Brasil for acceptance and guarantee. The accepted and guaranteed drafts are to be returned to the Board within 15 days after receipt by Banco do Brasil, in accordance with the procedure outlined in sub-paragraph (b) (ii) above.

Article III. The Junta and the Board shall hold negotiations to determine the delivery periods, the grades of wheat, prices and other commercial conditions for the annual quantities stipulated in Article I. These negotiations shall be held approximately quarterly at about 30 (thirty) days prior to the first month of the shipping schedule for the quantity to be negotiated. Following negotiations purchases of wheat shall be made by Banco do Brasil, S.A.—Departamento de Comercialização do Trigo (CTRIN) from the Board under specific contracts. The Junta and the Board will by Nov. 30th each year discuss and arrange a tentative shipping program for the following calendar year.

Article IV. It is understood that all purchases under this Agreement are for consumption in Brazil, and that no shipments shall be diverted to other destinations without the prior consent of the Board.

Article V. This Agreement shall enter into force on the date of its signature, with effect from January 1, 1986 and shall remain in effect for a period of three years, until December 31, 1988.

IN WITNESS WHEREOF, the undersigned, duly authorized for the purpose by their respective governments, have signed the present Agreement and have affixed thereto their seals.

DONE in two copies at Brasília this 10 day of October, 1985 in the English, French and Portuguese languages, each version being equally authentic.

For the Government
of the Federative Republic
of Brazil:

[Signed]

OLAVO EGYDIO SETUBAL

For the Government
of Canada:

[Signed]

CHARLES JAMES MAYER