

No. 24892

**CANADA
and
BRAZIL**

Long-term Wheat Agreement. Signed at Brasília on 10 January 1980

Authentic texts: English, French and Portuguese.

Registered by Canada on 16 July 1987.

**CANADA
et
BRÉSIL**

Accord à long terme sur le blé. Signé à Brasília le 10 janvier 1980

Textes authentiques : anglais, français et portugais.

Enregistré par le Canada le 16 juillet 1987.

LONG TERM WHEAT AGREEMENT¹ BETWEEN CANADA AND BRAZIL

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

Desirous of concluding a Long Term Wheat Agreement,

Have agreed as follows:

Article I. 1. The Government of the Federative Republic of Brazil shall buy in Canada, through the Junta Deliberativa de Trigo da Superintendencia Nacional do Abastecimento (hereinafter referred to as the Junta) and the Banco do Brasil S.A. — Carteira do Comércio Exterior (CACEX) and the Government of Canada shall supply to Brazil, through the Canadian Wheat Board (hereinafter referred to as the Board), a quantity of 3,000,000 (three million) tonnes, 5% (five percent) more or less, of Canadian wheat during the three calendar years 1980 to 1982 inclusive.

2. The quantities to be purchased in each year of this Agreement shall be as follows:

1980 — 2,000,000 tonnes

1981 — 500,000 tonnes

1982 — 500,000 tonnes

3. In addition, through agreement between the Junta and the Board, the annual quantities for 1981 and 1982 stated above may be increased by 300,000 (three hundred thousand) tonnes.

Article II. The payment terms which will 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; or at Buyer's option, declarable prior to the beginning of each shipment month,

b) 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:

— $\frac{1}{3}$ of the F.O.B. value 18 (eighteen) months from the date of the ocean Bill of Lading;

— $\frac{1}{3}$ of the F.O.B. value 30 (thirty) months from the date of the ocean Bill of Lading;

— $\frac{1}{3}$ 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-

¹ Came into force on 10 January 1980 by signature, with effect from 1 January 1980, in accordance with article V.

month period interest shall be calculated at the rate payable by the Board on its borrowings from Canadian chartered banks at Bill of Lading data for each. On subsequent six-month periods interest shall be calculated on the basis of the rate payable by the Board on its borrowings from 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 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 on 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, at which time, Banco do Brasil will also provide the Board with a letter guaranteeing payment of interest in accordance with the procedure outlined in sub-paragraph (b) (ii) above.

Article III. 1. 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 (1), following which purchases of wheat shall be made by Banco do Brasil S.A. — Carteira do Comércio Exterior (CACEX) from the Board under specific contracts. Each annual quantity shall be negotiated in accordance with the following schedule:

a) Quantities for April 1 through May 31 for the first year of the Agreement shall be negotiated during January, 1980. Quantities for June 1 through July 31 for the first year of the Agreement shall be negotiated during May, 1980. Quantities for August 1 through September 30 for the first year of the Agreement shall be negotiated during July, 1980. Quantities for October 1 through November 30 for the first year of the Agreement shall be negotiated during September, 1980.

b) Quantities for April 1 through June 30 for the second and third year[s] of the Agreement shall be negotiated not later than December 15 of the year preceding the Agreement year. Quantities for July 1 through September 30 for the second and third year[s] of the Agreement shall be negotiated not later than April 15 of the Agreement year. Quantities for October 1 through December 31 for the second and third year[s] of the Agreement shall be negotiated not later than July 15 of the Agreement year.

2. In respect of the optional quantities stipulated in Article I (3), these shall be determined by mutual agreement between the Junta and the Board prior to February 28th in the year shipment is to be made. At the time of determining such quantities, the Junta and the Board will also determine the monthly shipping schedule.

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, 1980, and shall remain in effect for a period of three years, until December 31, 1982.

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 Brasilia this 10th day of January, 1980, in the English, French and Portuguese languages, each version being equally authentic.

For the Government
of Canada:

For the Government
of the Federative Republic of Brazil:
