

No. 27150

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**UNITED STATES OF AMERICA  
and  
MAURITIUS**

**Agreement for the sale of agricultural commodities (with  
minutes of negotiation). Signed at Port Louis on 8 April  
1982**

*Authentic text: English.*

*Registered by the United States of America on 15 March 1990.*

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

**Accord relatif à la vente de produits agricoles (avec procès-  
verbal de négociation). Signé à Port-Louis le 8 avril 1982**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 15 mars 1990.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF MAURITIUS FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Mauritius agree to the sale of agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III of the June 29 1979 Agreement<sup>2</sup> together with the following Part II.

### Part II PARTICULAR PROVISION:

#### Item I. Commodity Table

COMMODITY	SUPPLY PERIOD (US FISCAL YEAR)	APPROXIMATE MAXIMUM QUAN- TITY (METRIC TONS)	MAXIMUM EXPORT MARKET VALUE (MILLIONS)
RICE	1982	7,200	DOLS 2.2
WHEAT FLOUR	1982	5,100	DOLS.1.3
TOTAL			DOLS 3.5

#### Item II. Payment Terms:

Dollar Credit (DC)-Twenty (20) years

- (A) Initial payment - Five (5) percent;
- (B) Currency use payment purposes - five (5) percent for Section 104(A).
- (C) Number of installment payments - nineteen (19);
- (D) Amount of each installment payment - Approximately equal annual amounts;
- (E) Due date of first installment payment - two (2) years after date of last delivery of commodities in each calendar year;
- (F) Initial interest rate - three (3) percent;
- (G) Continuing interest rate - four (4) percent.

#### Item III. Usual Marketing Table:

COMMODITY	IMPORT PERIOD (US FISCAL YEAR)	USUAL MARKETING REQUIREMENTS (METRIC TONS)
RICE	1982	60,000
WHEAT/WHEAT FLOUR (GRAIN EQUIVALENT BASIS)	1982	63,000

<sup>1</sup> Came into force on 8 April 1982 by signature.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1180, p. 421.

Item IV. Export Limitations:

(A) The Export Limitation Period: The export limitation period shall be the United States Fiscal Year 1982 or any subsequent United States Fiscal Year during which commodities financed under this agreement are being imported or utilized.

(B) Commodities to which Export Limitations apply: For the purpose of Part I, article III (A) (4) of this Agreement, the commodities which may not be exported are: For rice--rice in the form of paddy, brown or milled; and for wheat/wheat flour --wheat, wheat flour, rolled wheat, semolina, farina, bulgar (or the same products under different names).

Item V. Self-Help Measures:

(A) The Government of Mauritius agrees to undertake self-help measures to improve the production, storage, and distribution of agricultural commodities. The following self-help measures shall be implemented to contribute directly to the development progress in poor rural areas and enable the poor to participate actively in increasing agricultural production through small farm agriculture.

(B) The Government of Mauritius agrees to undertake the following activities and in doing so to provide adequate financial, technical and managerial resources for their implementation:

(1) Continue to maintain a national policy of agricultural diversification following the Plan of Action adopted for the Development Plan for 1980-82.

(2) Address the identified constraints which are partly responsible for delaying a sustained program of food-crop production through specific studies in support of policy determinations to include inter alia:

(a) Continue to conclusion the on-going cataloging of fields under cane production to include data regarding physical and chemical soil characteristics, environmental conditions, suitability of growth of diverse crops, etc.

(b) Develop viable proposals for improvement to irrigation facilities in the western coast area, for example La Chaumiere;

(c) Continue the study of the constraints to diversification recommending appropriate action steps to be taken especially through the Agricultural Marketing Board and Extension Service of the Ministry of Agriculture to encourage support of private sector's initiatives in food-crop production.

(3) To assist in overcoming the constraints in effecting rapid diversification without deterioration of sugar production, the following activities will be undertaken to enhance policy decisions as well as provide producer incentives:

(a) Initiate action to make land available to small farmers for purchase and/or rent of land for short and/or long term use for food-crop production;

(b) Continue to grant Development Certificates extended to individuals and/or entities engaged in agricultural diversion. Holders of Certificates would be provided incentives such as:

(I) Tax Relief;

(II) Duty exemption on agricultural machinery, and equipment;

(III) Loans at preferential rates

(4) Implement further efforts to promote production, storage and marketing of food-crops within both the private as well as public sector through such efforts as guaranteed floor prices on a wider range of food-crops. Encouragement of producer operated marketing cooperatives, and expanding public markets to smaller communities where greater numbers of producer groups may participate.

(5) Continue to strengthen the national integrated food strategy through improving participation by both public and private sector in selected committees which will be responsible to: Review progress in specific areas of diversification; recommend measures for corrective action if necessary; monitor implementation of approved plans/projects; and strengthen strategies for food-crop production.

(6) Where possible, sales proceeds generated under the Title I program, will be used to support food for work activities with emphasis on rural initiatives which will impact upon agricultural production, marketing and distribution.

Item VI. Economic Development Purposes For Which Proceeds Accruing To Importing Country Are To Be Used:

A. The proceeds accruing to the Government of Mauritius from the sale of commodities financed under this Agreement will be used for financing the self-help measures set forth in the Agreement and for development in the agriculture and rural development sectors, in a manner designed to increase the access of the poor in Mauritius to an adequate, nutritious, and stable food supply.

B. In the use of proceeds for these purposes emphasis will be placed on directly improving the lives of the poorest of the Mauritian people and their capacity to participate in the development of their country, particularly on the island of Rodrigues and other lower income areas of the country.

In witness whereof, the respective representatives, duly authorized for the purpose, have signed the present agreement. Done at Port Louis in duplicate this 8 day of April, 1982

For the Government  
of Mauritius:

By: Sir VEERASAMY RINGADOO  
Title: Minister of Finance  
Signature: [Signed]

For the Government  
of the United States of America:

By: ROBERT C. F. GORDON  
Title: American Ambassador  
Signature: [Signed]

MINUTES OF THE NEGOTIATING MEETING  
BETWEEN THE PARTIES TO THE PROPOSED  
PL 480 TITLE I FY 1982 AGRICULTURAL COMMODITY  
SALES AGREEMENT

Date: 9 March 1982, 1100 hours

Place: Ministry of Finance, Port Louis, Mauritius

Participating:

For the Government of Mauritius

Mr. Haniff Ramdin	Acting Financial Secretary Ministry of Finance
Mr. R. Maugendre	Permanent Secretary Ministry of Commerce & Industry
Mr. D. Manna	Principal Assistant Secretary Ministry of Finance
Mr. P. Ujoodha	Economist Ministry of Economic Planning & Development

For the Government of the United States of America

Mr. Peters Strong	Regional PL 480 Officer, U.S. Regional Economic Development Service Office, Nairobi
Mr. Michael D'Andrea	Economic and Commercial Officer American Embassy, Port Louis

The Mauritian Negotiating team reviewed the draft of the proposed U.S. FY 82 PL-480 Title I Sales Agreement and, with the exception of non-substantive language of the text of Item V which the American Negotiating team agreed to seek authority to change in the final document, had no objection to Part II, Item II through Item VI.

The Mauritian Negotiating team reviewed the discussion points as presented by the American Negotiating team and have agreed that the following, which represents a summary in part of specific points, be included in these minutes:

A. The Government of the United States insists that in the use of the resources made available through this agreement that 1) specific emphasis should be placed upon the implementation of the self-help measures of the agreement so as to contribute directly to development progress in the rural areas and enable the poor to participate actively in increasing agricultural production through small farm agriculture; and 2) the use of the sales proceeds will be for purposes which directly improve the lives of the poorest people and their capacity to participate in the development of their own country. Particular attention is to be given to assisting small farmers by providing incentives to increase food production.

B. The Government of Mauritius accepts responsibility for (a) quarterly compliance reporting on progress in meeting the usual marketing requirements (UMR) of the agreement; (b) arrival and shipping information reporting; (c) progress reports on implementing self-help measures (reports to be submitted to American Embassy not later than 15 November); and (d) report the use of sales proceeds.

C. The Government of Mauritius is advised that at least 50 percent of commodities purchased under the proposed Agreement must be moved in U.S. flag vessels if available at fair and reasonable rates.

D. The Government of Mauritius is reminded by the American Negotiating team that under current U.S. regulatory and legislative requirements:

1. Commodities will be made available under the proposed agreement only after the U.S. Secretary of Agriculture has determined that (1) adequate storage facilities are available in the recipient country at the time of exportation to prevent spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing.
2. Following signing of the Agreement, the Government of Mauritius, through its Embassy in Washington, is to act expeditiously to request a Purchase Authorization (PA) from the U.S. Department of Agriculture (USDA).
3. Purchase of food commodities under the Agreement must be made on the basis of Invitations for Bids (IFB's) and on the basis of bids (offers) which must conform to the IFB. Bids must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive, and responsive bid procedures.
4. Terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager FAS, USDA, prior to issuance. If the Government of Mauritius nominates a purchasing or shipping agent to procure commodities or arrange ocean transportation under the Agreement they must notify the General Sales Manager, Foreign Agriculture Service/EC, U.S. Department of Agriculture, in writing, of such nomination and provide a copy of the proposed agency Agreement. All purchasing and shipping agents must be approved by the Foreign Agriculture Service (FAS) in accordance with regulatory standards designed to eliminate certain potential conflicts of interest.

The American Negotiating team explained that a requirement of the FY82 Agreement is the attainment of greater specificity and measurability, e.g. the use of specific commitments or targets as a means to measure the extent to which policy, economic development and self-help measures have been carried out under this agreement. The Mauritian Negotiating Team responded with the specifics or benchmarks involved in fulfilling the developmental objectives of the Agreement. The Mauritian Negotiating Team explained that in setting these targets or benchmarks certain basic assumptions were made regarding the continued validity of established overall government fiscal and other policies as well as continued availability of budgeted governmental and donor resources:

1. Cataloging of fields will be 80 percent completed within next 12 months.
2. Resolution of the principal constraint (land ownership) to development of Western Coast irrigation which involves the transfer of benefits of irrigation facilities to be developed to maximum number of small farmers.

3. A) The Agricultural Marketing Board (AMB) will construct a modern food crop storage facility of approximately 300MT in Rodrigues.

B) The AMB will complete project proposals for two modern regional food crop storage facilities of 2,000 sq. ft. each; one in Triolet and second in Rose Belle area.

C) Ministry of Agriculture will provide specialized advanced overseas training opportunity to approximately 10 percent of the technical staff of the Extension Service.

4. All unutilized and under-utilized crown and other land will be identified and categorized within next 12 months as being suitable for food production and livestock raising and delineated for lease to small farmers.

5. Based upon past experience Ministry of Agriculture expects to receive and examine 30 applications for Agricultural Development Certificates.

6. A) AMB will extend floor price guarantees to private sector producers of beans and selected spices.

B) AMB in collaboration with the technical service of the Ministry of Agriculture will continue comprehensive studies regarding suitable vegetable varieties and advance recommendations regarding most suitable onion varieties to meet local growing and storage conditions.

C) Pork production will be increased through expanded producer cooperative efforts to attain self-sufficiency by end of 1983.

7. Procedures will be determined for sub-committees to report to the High Powered Committee which will meet quarterly and make recommendations regarding the Plan of Action on Food Production and issue action directives to executing agencies.

Negotiators for the Government of Mauritius explained that:

A. The actual receiving, storage and distribution points and channels for rice and wheat flour under this agreement. Prices, independent of landed costs, to wholesalers, retailers and consumer are fixed, publicly posted and universally known to all consumers. The Government of Mauritius will be responsible for the import and primary storage of rice and wheat flour under the agreement. Private wholesale and retail merchants market rice imported by the Government. Private importers may also obtain rice import licenses and compete with government sales. However, the Government of Mauritius is responsible for providing an adequate daily supply of rice to the total population at reasonable prices within the range of the lowest income group including the people of Rodrigues. The Government of Mauritius through its Ministry of Price and Consumer Protection and Office of Supply assure adherence to established price and distribution procedures. A sophisticated computerized data processing system assists in monitoring rice and flour allocations which together with other controls eliminates potentials for rice and flour marketing outside of established channels. Fines and other penalties are imposed for violations.

B. Appropriate offices of the Government would expeditiously relay to its Embassy in Washington 1) all instructions, information and authority necessary to enable timely implementation of the agreement, including commodity specifications, 2) contracting and delivery periods, 3) names and addresses of banks handling transactions, 4) authority to request and sign purchase authorizations and other necessary documents, 5) complete instructions regarding arrangements for purchasing and/or shipping agents, if applicable, and 6) instructions to contact the Program Operations Division, Office of the General Sales Manager, U.S. Department of Agriculture, regarding the foregoing.

The negotiators for the Government of Mauritius assured that operable letters of credit for both commodity and freight will be opened and confirmed by designated U.S. banks immediately after contracting under each PA and before vessels arrive at loading port.

For the Government  
of Mauritius:

*[Signed]*

Sir VEERASAMY RINGADOO, Minister of Finance

*Date:* April 8, 1982

For the Government  
of the United States of America:

*[Signed]*

ROBERT C. F. GORDON, American Ambassador

*Date:* April 8, 1982

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