

May 11, 1962

INTERNATIONAL WHEAT AGREEMENT

Note: The Agreement was concurred in by the Senate, S.R. No. 29, and May 22, 1963. The Philippine instrument of ratification was signed by the President, October 15, 1963 and was deposited with the US. Government, November 8, 1963. It entered into force on July 16, 1962 with respect to Parts I, III-VH and on August 1, 1962 with respect to Part II. It entered into force for the Philippines, November 8, 1963.

Reference: This Agreement is also published in 444 UNTS, p. 3.

The Governments signatory to this Agreement,

Considering that the International Wheat Agreement, 1949 was revised and renewed in 1953, 1956 and 1959, and

Considering that the International Wheat Agreement, 1959 expires on 31 July 1962 and that it is desirable to conclude a new Agreement for a further period,

Have agreed as follows:

PART I

GENERAL

ARTICLE 1

OBJECTIVES

The objectives of this Agreement are:

(a) To assure supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices;

(b) To promote the expansion of the international trade in wheat and wheat-flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;

(c) To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;

(d) To encourage the use and consumption of wheat and wheat-flour generally, and in particular in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and

(e) In general to further international co-operation in connexion with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

ARTICLE 2

DEFINITIONS

(1) For the purposes of this Agreement:

(a) "Advisory Committee on Price Equivalents" means the Committee established under Article 31;

(b) "Balance of Commitment" means the amount of wheat which an exporting country is obliged to make available at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to importing countries exceeds the actual commercial purchases from it by those countries in the crop year at the relevant time;

(c) "Balance of Entitlement" means the amount of wheat which an importing country is entitled to purchase at not greater than the maximum price under Article 5; that is, the amount by which its datum quantity with respect to the exporting country or countries concerned, as the context requires, exceeds its actual commercial purchases from those countries in the crop year at the relevant time;

(d) "Bushel" means sixty pounds avoirdupois or 27.2155 kilogrammes;

(e) "Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat;

(f) "Certified seed wheat" means wheat which has been officially certified according to the custom of the country of origin and which conforms to recognized specification standards for seed wheat in that country;

(g) "C. & f." means cost and freight;

(h) "Council" means the International Wheat Council established by the International Wheat Agreement, 1949 and continued in being by Article 25;

(i) "Crop year" means the period from 1 August to 31 July;

(j) "Datum quantity" means:

(i) In the case of an exporting country the average annual commercial purchases from that country by importing countries during the years determined under Article 15;

(ii) In the case of an importing country the average annual commercial purchases from exporting countries or from a particular exporting country, as the context requires, during the years determined under Article 15;

(k) "Executive Committee" means the Committee established under Article 30;

(l) "Exporting country" means, as the context requires, either:

(i) the Government of a country listed in Annex B1 which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

(m) "F.a.q." means fair average quality;

(n) "F.o.b." means free on board ocean vessel or sea-going vessel, as the case may be, and in the case of French wheat delivered at a Rhine port, free on board river craft;

(o) "Importing country" means, as the context requires, either:

(i) the Government of a country listed in Annex C which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply;

(p) "Marketing costs" means all usual charges incurred in marketing, chartering, and forwarding;

(q) "Maximum price" means the maximum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(r) "Maximum price declaration" means a declaration made in accordance with Article 13;

(s) "Metric ton" or 1,000 kilogrammes, means 36.74371 bushels;

(t) "Minimum price" means the minimum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(u) "Price range" means prices between the minimum and maximum prices specified in or determined under Articles 6 or 7, including the minimum prices but excluding the maximum prices;

(v) "Purchase" means a purchase for import of wheat exported or to be exported from an exporting country or from other than an exporting country, as the case may be, or the quantity of such wheat so purchased, as the context requires. Where reference is made in this Agreement to a purchase, it shall be understood to refer not only to purchases concluded between the Governments concerned but also to purchases concluded between private traders and to purchases concluded between a private trader and the Government concerned. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article 37;

(w) "Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article 37;

(x) "Wheat includes wheat grain of any description, class, type, grade or quality and, except in Article 6, wheat-flour.

(2) All calculations of the wheat equivalent of purchases of wheat-flour shall be made on the basis of the rate of extraction indicated by the contract between the buyer and the seller. If no such rate is indicated, seventy-two units by weight of wheat-flour shall, for the purpose of such calculations, be deemed to be equivalent to one hundred units by weight of wheat grain unless the Council decides otherwise.

ARTICLE 3

COMMERCIAL PURCHASES AND SPECIAL TRANSACTIONS

(1) A commercial purchase for the purposes of this Agreement is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this Article.

(2) A special transaction for the purposes of this Agreement is one which, whether or not within the price range includes features introduced by the Government of a country concerned which do not conform with usual commercial practices.

Special transactions include the following:

(a) Sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform with the commercial rates, periods or terms prevailing in the world market;

(b) Sales in which the funds for the purchase of wheat are obtained under a loan from the government of the exporting country tied to the purchase of wheat;

(c) Sales for currency of the importing country which is not transferable or convertible into currency or goods for use in the exporting country;

(d) Sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting country and the importing country concerned agree that the sale shall be regarded as commercial;

(e) Barter transactions

(i) which result from the intervention of governments where wheat is exchanged at other than prevailing world prices, or

(ii) which involve sponsorship under a government purchase programme, except where the purchase of wheat results from a barter transaction in which the country of final destination was not named in the original barter contract;

(f) A gift of wheat or a purchase of wheat out of a monetary grant by the exporting country made for that specific purpose;

(g) Any other categories of transactions that include features introduced by the Government of a country concerned which do not conform with usual commercial practices, as the Council may prescribe.

(3) Any question raised by the Executive Secretary or by any exporting or importing country as to whether a transaction is a commercial purchase as defined in paragraph (1) of this Article or a special transaction as defined in paragraph (2) of this Article shall be decided by the Council.

PART II

RIGHTS AND OBLIGATIONS

ARTICLE 4

PURCHASES WITHIN THE PRICE RANGE

(1) Each importing country undertakes that not less than the percentage specified for that country in Annex A of its total commercial purchases of wheat in any crop year shall be purchased from exporting countries at prices within the price range and that any additional commercial purchases of wheat from exporting countries shall also be at prices within the price range, except when a maximum price declaration is in effect in respect of any exporting country in which case the provisions of Article 5 shall apply.

(2) Exporting countries undertake, in association with one another, that wheat from their countries shall be made available for purchase by importing countries in any crop year at prices within the price range in quantities sufficient to satisfy the commercial requirements of those countries, except when a maximum price declaration is in effect in respect of an exporting country, in which case the provisions of Article 5 shall apply to that country.

(3) For the purposes of this Agreement, except as provided in Article 5, any wheat purchased from an importing country by a second importing country which originated during that crop year from an exporting country shall be deemed to have been purchased from that exporting country by the second importing country. Subject to the provisions of Article 19, this paragraph shall apply to wheat-flour only if the wheat-flour originated from the exporting country concerned.

ARTICLE 5

PURCHASES AT THE MAXIMUM PRICE

(1) If the Council makes a maximum price declaration in respect of an exporting country, that country shall make available for purchase by importing countries at not greater than the maximum price its balance of commitment towards those countries to the extent that the balance of entitlement of any importing country with respect to all exporting countries is not exceeded.

(2) If the Council makes a maximum price declaration in respect of all exporting countries, each importing country shall be entitled, while the declaration is in effect,