

No. 8495

**UNITED STATES OF AMERICA
and
SUDAN**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Khartoum,
on 13 April 1966**

Official text : English.

Registered by the United States of America on 30 December 1966.

**ÉTATS-UNIS D'AMÉRIQUE
et
SOUDAN**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser le
commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Khartoum, le 13 avril 1966**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 30 décembre 1966.

No. 8495. AGRICULTURAL¹ COMMODITIES AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF THE
REPUBLIC OF THE SUDAN UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND ASSIST-
ANCE ACT, AS AMENDED. SIGNED AT KHARTOUM,
ON 13 APRIL 1966

The Government of the United States of America and the Government of the Republic of the Sudan ;

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Considering that the purchases for Sudanese pounds of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Sudanese pounds accruing from such purchase will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to the Government of the Republic of the Sudan pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

SALES FOR SUDANESE POUNDS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of the Sudan of purchase authorizations and to the availability of the specified commodities under the Act at the

¹ Came into force on 13 April 1966, upon signature, in accordance with article VI.

time of exportation, the Government of the United States of America undertakes to finance the sales for Sudanese pounds, to purchasers authorized by the Government of the Republic of the Sudan, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (Millions)</i>
Wheat/wheat flour.	\$4.16

2. Applications for purchase authorizations will be made within 90 days after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Sudanese pounds accruing from such sale, and other relevant matters.

3. The Government of the United States of America will finance ocean transportation costs incurred to¹ this agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 percent by tonnage of the commodities be transported in United States flag vessels. The balance of cost for commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of the Republic of the Sudan. The Government of the Republic of the Sudan will not be required to deposit Sudanese pounds for ocean transportation financed by the Government of the United States of America.

4. Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of the Republic of the Sudan will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

5. The financing, sale and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF SUDANESE POUNDS

The Sudanese pounds accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement will be used by

¹ According to information provided by the Government of the United States of America, this should read "incurred pursuant to".

the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the proportions shown.

A. For United States expenditures under subsections (a), (b), (c), (d), (f) and (h) through (t) of Section 104 of the Act, or under any of such subsections, 20 percent of the Sudanese pounds accruing pursuant to this agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in the Government of the Republic of the Sudan incident thereto, 5 percent of the Sudanese pounds accruing pursuant to this agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in the Government of the Republic of the Sudan for business development and trade expansion in the Government of the Republic of the Sudan and to United States firms and Sudanese firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to AID and the Government of the Republic of the Sudan, acting through the Ministry of Finance and Economics (hereinafter referred to as the Ministry). The Minister of Finance and Economics of the Government of the Republic of the Sudan, or his designate, will act for the Government of the Republic of the Sudan, and the Administrator of AID, or his designate, will act for AID.
- (3) Upon receipt of an application which AID is prepared to consider, AID will inform the Ministry of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purpose for which the loan proceeds would be expended.
- (4) When AID is prepared to act favorably upon an application, it will so notify the Ministry and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in the Government of the Republic of the Sudan on comparable loans, provided such rate is not lower than cost of funds to the United States Treasury on comparable maturities, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon application, the Ministry will indicate to AID whether or not it has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from the Ministry, it shall be understood that the Ministry has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify the Ministry.