No. 8801

UNITED STATES OF AMERICA
and
BRAZIL

Agricultural Commodities Agreement under Title IV of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Rio de Janeiro, on 23 April 1966

Official texts: English and Portuguese.

Registered by the United States of America on 18 October 1967.

ÉTATS-UNIS D'AMÉRIQUE
et
BRÉSIL

Accord relatif aux produits agricoles, conclu dans le cadre du titre IV de la loi tendant à développer et à favoriser le commerce agricole, telle qu'elle a été modifiée (avec échange de notes). Signé à Rio de Janeiro, le 23 avril 1966

Textes officiels anglais et portugais.

Enregistré par les États-Unis d'Amérique le 18 octobre 1967.

No. 8801. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT RIO DE JANEIRO, ON 23 APRIL 1966

The Government of the United States of America and the Government of the United States of Brazil:

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Brazil;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade;

Recognizing further that by providing such commodities to Brazil under long-term supply and credit arrangements, the resources and manpower of Brazil can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Brazil pursuant to Title IV of the Agricultural Trade Development and Assistance Act,[1] as amended (hereinafter referred to as the Act);

Have agreed as follows:

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the United States of Brazil of credit purchase authorizations and to the availability of commodities

[1] Came into force on 23 April 1966 by signature, in accordance with article V.

under the Act at the time of exportation, the Government of the United States of America undertakes to finance, during the periods specified below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Brazil of the following commodities:

Commodity	*Supply Period*	*Approximate Maximum Quantity*	*Maximum Export Market Value to be Financed*
Wheat and/or wheat flour	Calendar Year 1966	1,000,000 metric tons	$58,606,200
Ocean transportation (estimated)			5,117,890
			$63,724,090

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Applications for credit purchase authorizations will be made promptly after the effective date of this agreement. Purchase authorizations will include provisions relating to the sale and delivery of the commodities and other relevant matters.

3. The financing, sale, and delivery of commodities hereunder may be terminated by either or both Governments if either or both Governments determine that because of changed conditions the continuation of such financing, sale, and delivery is unnecessary or undesirable.

Article II

Credit provisions

1. The Government of the United States of Brazil will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and applicable ocean

transportation costs (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used), the amount financed by the Government of the United States of America together with interest thereon.

2. The amount of the principal due for commodities delivered in each calendar year under this Agreement, including the applicable related ocean transportation costs, shall be made in 20 approximately equal annual payments, the first of which shall become due December 31 of the year following the calendar year in which delivery of commodities is made. Subsequent annual payments shall become due at intervals of one year thereafter, provided that the final payment for commodities delivered in any calendar year shall become due 20 years after the date of the last delivery of commodities in such calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered, including applicable related ocean transportation costs, in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid annually on the dates payments of principal are due. The interest shall be computed at the rate of one percent per annum during the period from the date of the last delivery of commodities in such calendar year to the due date of the first annual payment of principal, and 2 ½ percent per annum thereafter.

4. All payments shall be made in United States dollars and the Government of the United States of Brazil shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.