No. 26982

UNITED STATES OF AMERICA
and
EGYPT

Agreement for the sale of agricultural commodities (with agreed minutes dated 16 December 1981). Signed at Cairo on 21 December 1981

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Washington, 5 February 1982

Authentic texts: English.

Registered by the United States of America on 19 December 1989.

ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE

Accord relatif à la vente de produits agricoles (avec procès-verbal approuvé en date du 16 décembre 1981). Signé au Caire le 21 décembre 1981

Échange de notes constituant un accord modifiant l'Accord susmentionné. Washington, 5 février 1982

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 19 décembre 1989.

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Arab Republic of Egypt agree to the sale of agricultural commodities specified below. This agreement shall consist of the preamble and Parts I and III of the Agreement signed June 7, 1974,[2] together with the following Part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

Commodity	Supply Period (U.S. FY)	Approximate Quantity (MT)	Maximum Export Market Value (Dols. Million)
Wheat	1982	600,000	105.0
Wheat Flour (Grain Equivalent Basis)	1982	500,000	95.0
TOTAL		1,100,000	200.0

Item II. PAYMENT TERMS: Convertible Local Currency Credit (CLCC)

A. Initial Payment - Five (5) percent.

B. Currency Use Payment - None.

C. Number of Installment Payments - Thirty-one (31).

D. Amount of Each Installment Payment - Approximately equal annual amounts.

[1] Came into force on 21 December 1981 by signature.

[2] See "Agreement between the Government of the United States of America and the Government of the Arab Republic of Egypt for sales of agricultural commodities", United Nations, *Treaty Series*, vol. 953, p. 313.

E. Due Date of First Installment Payment -

Ten (10) years after the date of last delivery of commodities in each calendar year.

F. Initial Interest Rate - Two (2) percent.

G. Continuing Interest Rate - Three (3) percent.

Item III. USUAL MARKETING TABLE:

Commodity	Import Period (U.S. FY)	Usual Marketing Requirement (MT)
Wheat/Wheat Flour (Grain Equivalent Basis)	1982	2.5 million

Item IV. EXPORT LIMITATIONS:

A. Export Limitation Period:

The export limitation period shall be U.S. fiscal year 1982, or any subsequent U.S. fiscal year during which commodities financed under this agreement are being imported or utilized.

B. Commodities to Which Export Limitations Apply:

For the purposes of Part I, Article III (A)(4) of this agreement, the commodities which may not be exported are: wheat, wheat flour, rolled wheat, semolina, farina, or bulgur (or the same product under a different name).

Item V. SELF-HELP MEASURES:

A. The Government of Egypt 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 development progress in poor rural areas and enable the poor to participate in increasing agricultural production through small farm agriculture.

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

1. Agricultural Policy and Planning

   a. Review pricing policies for agricultural inputs. This review should serve as the basis for implementing a rational system of input allocation and use.

   b. Continue to review the subsidies on consumer prices for food items. This review should serve as a basis for implementing a subsidy policy that protects primarily the lower income groups.

   c. Increase incentives for domestic food crop production. The GOE will continue to rationalize input and consumer prices with a view toward establishing prices that will provide adequate incentive to producers. This process will include the continuation of procurement of wheat from farmers by the GOE. The GOE will conduct an analysis during FY 1982 to determine the need to initiate a similar program for corn. The procurement prices will be set with the objective of reducing the differences between the domestic and world prices of wheat. In assessing supply management, the government will give procurement priority to the full utilization of domestically produced crops. Food imports will be distributed in a manner that will minimize the disincentive to domestic production.

2. Agricultural Research and Extension
Examine the organization and management of agricultural research as it relates to increased production through the extension process and to strengthen Egyptian agricultural research efforts as noted in the Memorandum of Understanding signed November 1979. The review will:

   a. Identify constraints for effectively managing the agricultural research/extension/dissemination system;

   b. Develop procedures which provide the necessary services, create incentives, and demonstrate research results effectively to individual farmers;

   c. Identify which new technologies, beneficial to Egypt, are available inter-