

No. 30559

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**UNITED STATES OF AMERICA  
and  
JAMAICA**

**Agreement for the sale of agricultural commodities. Signed at  
Kingston on 24 February 1983**

*Authentic text: English.*

*Registered by the United States of America on 2 December 1993.*

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

**Accord relatif à la vente de produits agricoles. Signé à King-  
ston le 24 février 1983**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 2 décembre 1993.*

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

The Government of The United States of America and the Government of Jamaica 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 April 30, 1982,<sup>2</sup> together with the following Part II.

### PART II - PARTICULAR PROVISIONS

#### Item I - Commodity Table:

<u>Commodity</u>	<u>Supply Period (United States Fiscal Year)</u>	<u>Appropriate Maximum Quantity (Metric Tons)</u>	<u>Maximum Export Market Value (US\$ Millions)</u>
Wheat/wheat Flour (Wheat Basis)	1983	40,000	7.1
Corn/Sorghum	1983	45,000	5.0
Soybean/cottonseed oil	1983	3,000	1.5
Blended/fortified foods	1983	3,000	0.7
Rice	1983	18,000	5.7
		<b>TOTAL</b>	<u>20.0</u>

#### Item II. - Payment Terms: Convertible Local Currency Credit (CLCC)

- A. Initial Payment - None.
- B. Currency Use Payment - None.
- C. Number of Installment Payments - Fifteen (15).
- D. Amount of Each Installment Payment - Approximately equal annual amounts.
- E. Due Date of the First Installment Payment - Six (6) years after the date of the last delivery of commodities in each calendar year.
- F. Initial Interest Rate - Three (3) percent.
- G. Continuing Interest Rate - Four (4) percent.

<sup>1</sup> Came into force on 24 February 1983 by signature, in accordance with Part III (a).

<sup>2</sup> See p. 375 of this volume.

Item III - Usual Marketing Table:

<u>Commodity</u>	<u>Import Period (United States Fiscal Year)</u>	<u>Usual Marketing Requirement (Metric Tons)</u>
Wheat/wheat Flour (Wheat basis)	1983	109,000
Feedgrains	1983	82,300
Edible vegetable oil and/or oil bearing seeds (oil equivalent Basis)	1983	12,000 Mt of which at least 10,080 MT shall be imported from the United States
Blended/Fortified foods	1983	None
Rice	1983	30,000

Item IV. - Export Limitations:

## A. Export Limitation Period:

The export limitation period shall be United States Fiscal Year 1983, or any subsequent United States Fiscal Year during which commodities financed under this Agreement are being imported or utilized.

## B. Commodities to which Limitations apply:

For the purposes of Part I, Article III A (4) of this Agreement, the commodities which may not be exported are: For wheat/wheat flour - wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name); for corn - corn, cornmeal, barley, grain sorghum, rye, oats, and any other feed grains including mixed feeds containing predominantly such grains; for soybean/cottonseed oil - all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, sesame oil, rapeseed oil, and any other edible vegetable oils or oil bearing seeds from which these oils are produced; for blended/fortified foods-blended fortified foods; and for rice - rice, in the form of paddy, brown or milled.

Item V. - Self - Help Measures:

- A. The Government of Jamaica 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 actively in increasing agricultural production through small farm agriculture.
- B. The Government of Jamaica agrees to undertake the following activities and in doing so to provide adequate financial, technical, and managerial resources for their implementation.

(1) General Conditions:

(a) The Government of Jamaica will prepare a five-year "Agricultural Policy and Production Plan" within one year of the signing of the FY 1983 PL 480 Title I Agreement. This plan

will contain a prioritized list of policies, programs and projects for implementation, including an investment plan and a program for reducing Jamaica's need for subsidized food aid from the United States. Among others, the following additional elements will be incorporated specifically:

- (i) An overall production goal and strategy for increasing the role of private markets and market determined prices, and including a well-defined and structured program to meet goal and strategy objectives within a specified time period.
- (ii) An evaluation of incentives for ( and disincentives to) private sector investment in agriculture with special emphasis on policies affecting domestic cost/price ratios relative to world market costs and prices. This evaluation will include a schedule and a strategy for implementing market-based incentives and removing disincentives, and recommendations concerning recovery by the Government of Jamaica of the economic costs (if any) of incentives.
- (iii) An analysis of the use of tax measures to encourage agricultural productivity through increased utilization of economically efficient land.
- (iv) An analysis of the current system of subsidies applied on agricultural inputs and a recommendation concerning the appropriate form of market based production support.

Assistance in meeting this condition must be obtained from a reputable international organization with special expertise in agricultural markets and market institutions, such as the World Food Council.

(b) The Government of Jamaica will carry out the specific conditions/adjustments cited below, including those of the World Bank Structural Adjustment Loan as they pertain to the agricultural sector, throughout the life of this PL 480 Title I Agreement.

- (i) Offer government-owned land for sale to producers in order to increase farm investment and production.
- (ii) Implement a land classification program and formulate a land-use policy.
- (iii) Rationalize soil conservation activities, emphasizing maintenance, and implement a soil conservation program.
- (iv) Prepare a program to increase the efficiency of water management and development of new systems.
- (v) Allow participation of private organizations in external marketing and reassess the public external organizations with a view to reducing their non-marketing activities.
- (vi) Initiate a program to eliminate praedial larceny.

- (vii) Seek Cabinet approval of an action program to rehabilitate the sugar and banana industries.
- (viii) Formulate an action program for strengthening of the Ministry of Agriculture as a market supporting institution, and other agricultural institutions.

(2) Pricing Conditions:

Within one year of the signing of the FY 1983 Agreement, the Government of Jamaica will develop a plan, along with a schedule not to exceed one year's duration, for eliminating price controls on domestically produced agricultural products and government subsidies on food imports which have a deleterious effect on domestic agricultural production, e.g. soya oil.

(3) Export Promotion Conditions:

A policy paper will be prepared within the first six months of this Agreement analyzing the present restrictions and disincentives discouraging trading houses and other private parties from acting as major commodity exporters, and discouraging agricultural production for export and to compete with agricultural imports. If the analysis shows that significant steps should be taken in this area, the Government of Jamaica will then be responsible for formulating and presenting a plan for implementing the necessary changes to remedy the situation within the next six months. Special care will be taken to assure access of agricultural producers to any general export promotion program that may be adopted.

(4) Land Tenure Conditions:

An analysis will be undertaken, within the first six months of the FY 1983 Agreement, of the existing land problems in Jamaica, including a review of the existing legislation, to provide land holders and squatters with title to land. Based upon the findings of the study, a program will be initiated within the next six months to develop for Government of Jamaica legislative action, an implementation strategy for giving farmers more secure land tenure than provided for at present under the land lease program.

(5) Water Conditions:

The Government of Jamaica will prepare within the first six months of the FY 1983 Agreement, a draft water utilization policy statement and devise a system for rationalizing the use of water resources between its various consumers to assure that agriculture receives adequate consideration in the allocation process.

(6) Production Incentive Conditions:

Within one year from the signing of the FY 1983 Agreement, an analysis will be made of the current agricultural incentive program, with emphasis on the distribution of such incentives among various categories of farmers and types of farm production. The analysis will include the following concerns:

- (i) High costs and delays associated with the distribution of agricultural incentives.

- (ii) The feasibility, practicality, and anticipated impact of the proposed agricultural zoning program.
- (iii) The establishment of an improved administrative procedure for distributing production incentives in a manner that minimizes distortions of the structure of relative prices of both inputs and outputs.
- (7) Screwworm Eradication:

Continue an analysis of requirements and begin primary planning for a potential program to eradicate screwworm from the island. The GOJ and the United States Department of Agriculture's Animal and Plant Health Inspection Service should jointly explore the feasibility of the cooperative efforts to eliminate this cattle pest.

- (8) Performance Conditions:

By June 30, 1983, the government will submit to USAID, a report reviewing performance under the self-help conditions of this Agreement.

Item VI. - Economic Development Purposes for which Proceeds Accruing to the Importing Country are to be Used:

A. The proceeds accruing to the importing country from the sale of commodities financed under this Agreement will be deposited in a special account to be established by the Government of Jamaica, and will be used for financing the self-help measures set forth in the Agreement, and for agricultural and rural development in a manner designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply. Disbursements from the special account will be made at such times and for such purposes as may be mutually agreed by the two parties to this Agreement.

B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

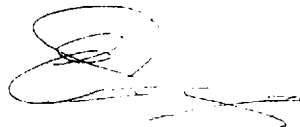
DONE at Kingston, Jamaica, in duplicate, this 24 th day of February, 1983.

For the Government  
of the United States of America:



By: L. P. READE  
Director

For the Government  
of Jamaica:



By: EDWARD G. SEAGA  
Ministry of Finance and Planning