

ANNEX

INTERNATIONAL WHEAT AGREEMENT, 1971

Preamble

The United Nations Wheat Conference, 1971,

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966 and 1967,

Considering that the provisions of the International Grains Arrangement, 1967, consisting of the Wheat Trade Convention, on the one hand, and the Food Aid Convention, on the other, will expire on 30 June 1971 and that it is desirable to conclude an Agreement for a new period,

Has agreed that this International Wheat Agreement, 1971 shall consist of two separate legal instruments

(a) the Wheat Trade Convention, 1971 and

(b) the Food Aid Convention, 1971

and that either the Wheat Trade Convention, 1971 or both the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, as appropriate, shall be submitted for signature, ratification, acceptance or approval, in conformity with their respective constitutional procedures, by the Governments represented at the United Nations Wheat Conference, 1971 and by the Governments of States party to the Wheat Trade Convention of the International Grains Arrangement, 1967.

Wheat trade convention, 1971

PART I

Article 2

GENERAL

Definitions

Article 1

Objectives

For the purposes of this Convention:

The objectives of this Convention are:

- (a) To further international cooperation in connection with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products;
- (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 members, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;
- (c) To contribute to the fullest extent possible to the stability of the international wheat market in the interests of both importing and exporting members; and
- (d) To provide a framework, in conformity with Article 21 of the present Convention, for the negotiation of provisions relating to the prices of wheat and to the rights and obligations of members in respect of international trade in wheat.

1. (a) 'Council' means the International Wheat Council established by the International Wheat Agreement, 1949 and continued in being by Article 10;
- (b) 'Member' means a party to this Convention or a territory or a group of territories in respect of which a notification has been made pursuant to paragraph 3 of Article 28;
- (c) 'Exporting member' means a member listed in Annex A;
- (d) 'Importing member' means a member listed in Annex B;
- (e) 'Territory' in relation to an exporting or importing member includes any territory in respect of which the rights and obligations of that member under this Convention apply under Article 28;
- (f) 'Executive Committee' means the Committee established under Article 15;
- (g) 'Advisory Subcommittee on Market Conditions' means the Subcommittee established under Article 16;

- (h) 'Grains' means wheat, rye, barley, oats, maize and sorghum;
- (i) 'Wheat' includes wheat grain of any description, class, type, grade or quality and, except where the context otherwise requires, wheat flour;
- (j) 'Crop year' means the period from 1 July to 30 June;
- (k) 'Bushel' means in the case of wheat sixty pounds avoirdupois or 27.2155 kilogrammes;
- (l) 'Metric ton', or 1 000 kilogrammes, means in the case of wheat 36.74371 bushels;
- (m) (i) 'Purchase' means a purchase for import of wheat exported or to be exported from an exporting member or from other than an exporting member, as the case may be, or the quantity of such wheat so purchased, as the context requires;
- (ii) 'Sale' means a sale for export of wheat imported or to be imported by an importing member or by other than an importing member, as the case may be, or the quantity of such wheat so sold, as the context requires;
- (iii) Where reference is made in this Convention to a purchase or sale, it shall be understood to refer not only to purchases or sales concluded between the Governments concerned but also to purchases or sales concluded between private traders and to purchases or sales 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 ratifying, accepting, approving or acceding to this Convention apply under Article 28;
- (n) Any reference in this Convention to a 'Government represented at the United Nations Wheat Conference, 1971' shall be construed as including a reference to the European Economic Community (hereinafter referred to as the EEC). Accordingly, any reference in this Convention to 'signature' or to the 'deposit of instruments of ratification, acceptance or approval' or 'an instrument of accession' or a 'declaration of provisional application' by a Government shall, in the case of the EEC be construed as including signature or declaration of provisional application on behalf of the EEC by its competent authority and the deposit

of the instrument required by the institutional procedures of the EEC to be deposited for the conclusion of an international agreement.

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, 72 units by weight of wheat flour shall, for the purpose of such calculations, be deemed to be equivalent to 100 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 Convention 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 Convention is one which includes features introduced by the Government of a member concerned which do not conform to 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 to 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 member tied to the purchase of wheat;
 - (c) Sales for currency of the importing member which is not transferable or convertible into currency or goods for use in the exporting member;
 - (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 member and the importing member 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 member made for that specific purpose;
- (g) Any other categories of transactions, as the Council may prescribe, that include features introduced by the Government of a member concerned which do not conform to usual commercial practices.

3. Any question raised by the Executive Secretary or by any exporting or importing member 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.

Article 4

Recording and reporting

1. The Council shall keep separate records for each crop year:

- (a) for the purposes of the operation of this Convention, of all commercial purchases by members from other members and non-members and of all imports by members from other members and non-members on terms which render them special transactions; and
- (b) of all commercial sales by members to non-members and of all exports by members to non-members on terms which render them special transactions.

2. The records referred to in the preceding paragraph shall be kept so that records of special transactions are separate from records of commercial transactions.

3. In order to facilitate the operation of the Advisory Subcommittee on Market Conditions under Article 16, the Council shall keep records of international market prices for wheat and wheat flour and transportation costs.

4. In the case of any wheat which reaches the country of final destination after re-sale in, passage through, or transshipment from the ports of, a country other than that in which the wheat originated, members shall to the maximum extent possible make available such information as will enable the purchase or transaction to be entered in the records referred to in paragraphs 1 and 2 of this Article as a purchase or transaction between the country of origin and the country of final destination. In the case of a re-sale, the provisions of this paragraph shall apply if the wheat originated in the country of origin during the same crop year.

5. The Council may authorize purchases to be recorded for a crop year if:

- (a) the loading period involved is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop year; and
- (b) the two members concerned so agree.

6. For the purpose of this Article:

- (a) members shall send to the Executive Secretary such information concerning the quantities of wheat involved in commercial sales and purchases and special transactions as the Council within its competence may require, including:

- (i) in relation to special transactions, such detail of the transactions as will enable them to be classified in accordance with Article 3;

- (ii) in respect of wheat, such information as may be available as to the type, class, grade and quality, and the quantities relating thereto;

- (iii) in respect of flour, such information as may be available to identify the quality of the flour and the quantities relating to each separate quality;

- (b) members when exporting on a regular basis, and such other members as the Council shall decide, shall send to the Executive Secretary such information relating to prices of commercial and, where available, special transactions in such descriptions, classes, types, grades and qualities of wheat and wheat flour as the Council may require;

- (c) the Council shall obtain regular information on currently prevailing transportation costs, and members shall to the extent practicable report such supplementary information as the Council may require.

7. The Council shall make rules of procedure for the reports and records referred to in this Article. Those rules shall prescribe the frequency and the manner in which those reports shall be made and shall prescribe the duties of members with regard thereto. The Council shall also make provision for the amendment of any records or statements kept by it, including provision for the settlement of any dispute arising in connection therewith. If any member repeatedly and unreasonably fails to make reports as required by this Article, the Executive Committee shall arrange consultations with that member to remedy the situation.

*Article 5***Estimates of requirements and availability of wheat**

1. By 1 October in the case of Northern Hemisphere countries and 1 February in the case of Southern Hemisphere countries, each importing member shall notify the Council of its estimate of its commercial import requirements of wheat in that crop year. Any importing member may thereafter notify the Council of any changes it may desire to make in its estimate.
2. By 1 October in the case of Northern Hemisphere countries and 1 February in the case of Southern Hemisphere countries, each exporting member shall notify the Council of its estimate of the wheat it will have available for export in that crop year. Any exporting member may thereafter notify the Council of any changes it may desire to make in its estimate.
3. All estimates notified to the Council shall be used for the purpose of the administration of this Convention and may only be made available to exporting and importing members on such conditions as the Council may prescribe. Estimates submitted in accordance with this Article shall in no way be binding.

*Article 6***Consultations on market conditions**

1. If the Advisory Subcommittee on Market Conditions, in the course of its continuous review of the market under paragraph 2 of Article 16, is of the opinion that a situation of market instability, has arisen or threatens imminently to arise, or if such a situation is called to the Advisory Subcommittee's attention by the Executive Secretary on his own initiative or at the request of any exporting or importing member, it shall immediately report the facts concerned to the Executive Committee. The Advisory Subcommittee shall in so informing the Executive Committee give particular regard to those circumstances which have brought about, or threaten to bring about, the situation of market instability, including price fluctuations. The Executive Committee shall meet within five market days to review the situation and to consider whether it would be possible to arrive at mutually acceptable solutions.
2. The Executive Committee shall, if it considers it appropriate, inform the Chairman of the Council who may convene a session of the Council to review the situation.

*Article 7***Disputes and complaints**

1. Any dispute concerning the interpretation or application of this Convention which is not settled by negotiation shall, at the request of any member which is a party to the dispute, be referred to the Council for decision.
2. Any member which considers that its interests as a party to this Convention have been seriously prejudiced by actions of any one or more members affecting the operation of this Convention may bring the matter before the Council. In such a case, the Council shall immediately consult with the members concerned in order to resolve the matter. If the matter is not resolved through such consultations, the Council shall consider the matter further and may make recommendations to the members concerned.

*Article 8***Annual review of the world wheat situation**

1. (a) In the furtherance of the objectives of this Convention as set forth in Article 1, the Council shall annually review the world wheat situation and shall inform members of the effects upon the international trade in wheat of the facts which emerge from the review, in order that these effects be kept in mind by these members in determining and administering their internal agricultural and price policies.
(b) The review shall be carried out in the light of information obtainable in relation to national production, stocks, consumption, prices and trade, including both commercial and special transactions, of wheat.
(c) Each member may submit to the Council information which is relevant to the annual review of the world wheat situation and is not already available to the Council either directly or through the appropriate organization in the United Nations system including the United Nations Conference on Trade and Development (UNCTAD) and the Food and Agriculture Organization of the United Nations (FAO).
2. In carrying out the annual review, the Council shall consider the means through which the consumption of wheat may be increased, and may undertake, in cooperation with members, studies of such matters as:
 - (a) factors affecting the consumption of wheat in various countries, and
 - (b) means of achieving increased consumption, particularly in countries where the possibility of increased consumption is found to exist.

3. For the purposes of this Article, the Council shall take into account work done on grains by UNCTAD and the FAO and by other intergovernmental organizations, in order to avoid duplication of work, and may, without prejudice to the generality of paragraph 1 of Article 20, make such arrangements regarding cooperation in any of its activities as it considers desirable with such intergovernmental organizations and also with any Governments of members of the United Nations or of the specialized agencies not party to this Convention which have a substantial interest in the international trade in grains.

4. Nothing in this Article shall prejudice the complete liberty of action of any member in the determination and administration of its internal agricultural and price policies.

Article 9

Guidelines relating to concessional transactions

1. Members undertake to conduct any concessional transactions in wheat in such a way as to avoid harmful interference with normal patterns of production and international commercial trade.

2. To this end members shall undertake appropriate measures to ensure that concessional transactions are additional to commercial sales which could reasonably be anticipated in the absence of such transactions. Such measures shall be consistent with the Principles of Surplus Disposal and Guiding Lines recommended by the FAO and may provide that a specified level of commercial imports of wheat, agreed with the recipient country, be maintained on a global basis by that country. In establishing or adjusting this level full regard shall be had to the commercial import levels in a representative period and to the economic circumstances of the recipient country, including, in particular, its balance-of-payments situation.

3. Members, when engaging in concessional export transactions, shall consult with exporting members whose commercial sales might be affected by such transactions, to the maximum possible extent before such arrangements are concluded with recipient countries.

4. The Executive Committee shall furnish an annual report to the Council on developments in concessional transactions in wheat.

PART II ADMINISTRATION

Article 10

Constitution of the Council

1. The International Wheat Council, established by the International Wheat Agreement 1949, shall continue in being for the purpose of administering this Convention with the membership, powers and functions provided in this convention.

2. Each exporting and importing member shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

3. Such intergovernmental organizations as the Council may decide to invite to any of its meetings may each have one non-voting representative in attendance at those meetings.

4. The Council shall elect a Chairman and Vice-Chairman who shall hold office for one crop year. The Chairman shall have no vote and the Vice-Chairman shall have no vote while acting as Chairman.

Article 11

Powers and functions of the Council

1. The Council shall establish its Rules of Procedure.

2. The Council shall keep such records as are required by the terms of this Convention and may keep such other records as it considers desirable.

3. The Council shall publish an annual report and may also publish any other information (including, in particular, its annual review or any part or summary thereof) concerning matters within the scope of this Convention.

4. In addition to the powers and functions specified in this Convention the Council shall have such other powers and perform such other functions as are necessary to carry out the terms of this Convention.

5. The Council may, by two-thirds of the votes cast by the exporting members and two-thirds of the votes cast by the importing members delegate to any of its committees or to the Executive Secretary the exercise of powers or functions other than those relating to the budget and assessment of contributions contained in paragraphs 2 and 3 of Article 19. The Council may at any time revoke such delegation by a majority of the votes cast. Any

decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing members made within a period which the Council shall prescribe. Any decision in respect of which no request for review has been made within the prescribed period shall be binding on all members.

6. In order to enable the Council to discharge its functions under this Convention, the Council may request, and members undertake to supply, such statistics and information as are necessary for this purpose.

Article 12

Votes

1. The exporting members shall together hold 1 000 votes and the importing members shall together hold 1 000 votes.

2. The votes to be exercised by the respective delegations of exporting members on the Council shall be those specified in Annex A.

3. The votes to be exercised by the respective delegations of importing members on the Council shall be those specified in Annex B.

4. Any exporting member may authorize any other exporting member, and any importing member may authorize any other importing member, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Satisfactory evidence of such authorization shall be submitted to the Council.

5. If at any meeting of the Council an exporting member or an importing member is not represented by an accredited delegate and has not authorized another member to exercise its votes in accordance with paragraph 4 of this Article, and if at the date of any meeting any member has forfeited, has been deprived of, or has recovered its votes under any provisions of this Convention, the total votes to be exercised by the exporting members shall be adjusted to a figure equal to the total of votes to be exercised at that meeting by the importing members and redistributed among exporting members in proportion to their votes.

6. Whenever any country becomes or any member ceases to be a party to this Convention, the Council shall redistribute the votes within either Annex A or Annex B, as the case may be, proportionally to the number of votes held by each member listed in that Annex.

7. No exporting or importing member shall have less than one vote and there shall be no fractional votes.

Article 13

Seat, sessions and quorum

1. The seat of the Council shall be London unless the Council decides otherwise.

2. The Council shall meet at least once during each half of each crop year and at such other times as the Chairman may decide, or as otherwise required by this Convention.

3. The Chairman shall convene a session of the Council if so requested by (a) five members or (b) one or more members holding a total of not less than 10% of the total votes or (c) the Executive Committee.

4. The presence of delegates with a majority of the votes held by the exporting members and a majority of the votes held by the importing members prior to any adjustment of votes under Article 12 shall be necessary to constitute a quorum at any meeting of the Council.

Article 14

Decisions

1. Except where otherwise specified in this Convention, decisions of the Council shall be by a majority of the votes cast by the exporting members and a majority of the votes cast by the importing members, counted separately.

2. Each member undertakes to accept as binding all decisions of the Council under the provisions of this Convention.

Article 15

Executive Committee

1. The Council shall establish an Executive Committee. The members of the Executive Committee shall be not more than four exporting members elected annually by the exporting members and not more than eight importing members elected annually by the importing members. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

2. The Executive Committee shall be responsible to and work under the general direction of the Council.

It shall have such powers and functions as are expressly assigned to it under this Convention and such other powers and functions as the Council may delegate to it under paragraph 5 of Article 11.

3. The exporting members on the Executive Committee shall have the same total number of votes as the importing members. The votes of the exporting members on the Executive Committee shall be divided among them as they shall decide, provided that no such exporting member shall have more than 40% of the total votes of those exporting members. The votes of the importing members on the Executive Committee shall be divided among them as they shall decide, provided that no such importing member shall have more than 40% of the total votes of those importing members.

4. The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provision regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Convention prescribes for the Council when making a decision on a similar matter.

5. Any exporting or importing member which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that member are affected.

Article 16

Advisory Subcommittee on Market Conditions

1. The Executive Committee shall establish an Advisory Subcommittee on Market Conditions consisting of technical representatives of not more than five exporting members and of not more than five importing members. The Chairman of the Advisory Subcommittee shall be appointed by the Executive Committee.

2. The Advisory Subcommittee shall keep under continuous review current market conditions and shall report to the Executive Committee as provided in Article 6. The Advisory Subcommittee shall, in the exercise of its functions, take into account any representations made by any exporting or importing member.

3. Any member which is not a member of the Advisory Subcommittee may participate in the discussion of any question before the Advisory Subcommittee whenever the latter considers that the interests of that member are directly affected.

4. The Advisory Subcommittee shall advise in accordance with the relevant Articles of this Convention and on such other matters as the Council or the Executive Committee may refer to it, including such matters as the Council may refer to it under Article 21 of this Convention.

Article 17

Secretariat

1. The Council shall have a Secretariat consisting of an Executive Secretary, who shall be its chief administrative officer, and such staff as may be required for the work of the Council and its Committees.

2. The Council shall appoint the Executive Secretary who shall be responsible for the performance of the duties devolving upon the Secretariat in the administration of this Convention and for the performance of such other duties as are assigned to him by the Council and its Committees.

3. The staff shall be appointed by the Executive Secretary in accordance with regulations established by the Council.

4. It shall be a condition of employment of the Executive Secretary and of the staff that they do not hold or shall cease to hold financial interest in the trade in wheat and that they shall not seek or receive instructions regarding their duties under this Convention from any Government or from any other authority external to the Council.

Article 18

Privileges and immunities

1. The Council shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

2. The status, privileges and immunities of the Council in the territory of the United Kingdom shall continue to be governed by the Headquarters Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the International Wheat Council signed at London on 28 November 1968.

3. The Agreement referred to in paragraph 2 of this Article shall be independent of the present Convention. It shall however terminate:

- (a) by agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Council, or

- (b) in the event of the seat of the Council being moved from the United Kingdom, or
- (c) in the event of the Council ceasing to exist.

4. In the event of the seat of the Council being moved from the United Kingdom, the Government of the member in which the seat of the Council is situated shall conclude with the Council an international agreement relating to the status, privileges and immunities of the Council, its Executive Secretary, its staff and representatives of members at meetings convened by the Council.

Article 19

Finance

1. The expenses of delegations to the Council and of representatives on its Committees and Subcommittees shall be met by their respective Governments. The other expenses necessary for the administration of this Convention shall be met by annual contributions from the exporting and importing members. The contribution of each such member for each crop year shall be in the proportion which the number of its votes bears to the total of the votes of the exporting and importing members at the beginning of that crop year.
2. At its first session after this Convention comes into force, the Council shall approve its budget for the period ending 30 June 1972 and assess the contribution to be paid by each exporting and importing member.
3. The Council shall, at a session during the second half of each crop year, approve its budget for the following crop year and assess the contribution to be paid by each exporting and importing member for that crop year.
4. The initial contribution of any exporting or importing member acceding to this Convention under paragraph 2 of Article 25 shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.
5. Contributions shall be payable immediately upon assessment. Any exporting or importing member failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be relieved of its obligations under this Convention, nor shall it be deprived of any of its rights under this Convention unless the Council so decides.

6. The Council shall, each crop year, publish an audited statement of its receipts and expenditures in the previous crop year.

7. The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

Article 20

Cooperation with other intergovernmental organizations

1. The Council may make whatever arrangements are appropriate for consultation or cooperation with the United Nations and its organs, in particular UNCTAD, and with the FAO and such other specialized agencies of the United Nations and intergovernmental organizations as may be appropriate.
2. The Council, bearing in mind the particular role of UNCTAD in international commodity trade, will, as it considers appropriate, keep UNCTAD informed of its activities and programmes of work.
3. If the Council finds that any terms of this Convention are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Convention and the procedure prescribed in paragraphs 2, 3 and 4 of Article 27 shall be applied.

Article 21

Prices and related rights and obligations

In order to assure supplies of wheat and wheat flour to importing members and markets for wheat and wheat flour to exporting members at equitable and stable prices, the Council shall at an appropriate time examine the questions of prices and related rights and obligations. When it is judged that these matters are capable of successful negotiation with the objective of bringing them into effect within the life of this Convention, the Council shall request the Secretary-General of UNCTAD to convene a negotiating conference.

Article 22

Signature

This Convention shall be open for signature in Washington from 29 March 1971 until and including 3 May 1971 by Governments of countries party to

the Wheat Trade Convention, 1967 and by Governments represented at the United Nations Wheat Conference, 1971.

Article 23

Ratification, acceptance, approval

This Convention shall be subject to ratification, acceptance or approval by each signatory Government in accordance with its respective constitutional procedures. Instruments of ratification, acceptance or approval shall be deposited with the Government of the United States of America not later than 17 June 1971, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance or approval by that date.

Article 24

Provisional application

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Convention. Any other Government eligible to sign this Convention or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Convention and be provisionally regarded as a party thereto.

Article 25

Accession

1. Any Government represented at the United Nations Wheat Conference, 1971, or the Government of any country party to the Wheat Trade Convention, 1967, may accede to the present Convention until and including 17 June 1971, except that the Council may grant one or more extensions of time to any Government which has not deposited its instrument by that date.

2. After 17 June 1971, any Government invited to the United Nations Wheat Conference, 1971, may accede to the present Convention upon such conditions as the Council considers appropriate by two-thirds of the votes cast by exporting members and by two-thirds of the votes cast by importing members.

3. Accession shall be effected by deposit of an instrument of accession with the Government of the United States of America.

4. Where, for the purposes of the operation of this Convention, reference is made to members listed in Annex A or B, any member the Government of which has acceded to this Convention on conditions prescribed by the Council in accordance with this Article shall be deemed to be listed in the appropriate Annex.

Article 26

Entry into force

1. This Convention shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval or accession as follows:

- (a) On 18 June 1971 with respect to all provisions other than Articles 3 to 9 inclusive and Article 21, and
- (b) On 1 July 1971 with respect to Articles 3 to 9 inclusive and Article 21

if such instruments of ratification, acceptance, approval or accession, or declarations of provisional application have been deposited not later than 17 June 1971 on behalf of Governments representing exporting members holding at least 60% of the votes set out in Annex A and representing importing members holding at least 50% of the votes set out in Annex B.

2. This Convention shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval or accession after 18 June 1971 in accordance with the relevant provisions of this Convention on the date of such deposit, except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph 1 or 3 of this Article.

3. If this Convention does not enter into force in accordance with paragraph 1 of this Article, the Governments which have deposited instruments of ratification, acceptance, approval or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval or accession.

Article 27

Duration, amendment and withdrawal

1. This Convention shall remain in force until and including 30 June 1974. However, if a new agreement covering wheat is negotiated as envisaged by Article 21 and enters into force before 30 June 1974, this Convention shall remain in force only until the date of entry into force of the new agreement.

2. The Council may recommend an amendment of this Convention to the members.

3. The Council may fix a time within which each member shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting members which hold two-thirds of the votes of the exporting members and by importing members which hold two-thirds of the votes of the importing members.

4. Any member which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Convention at the end of the current crop year, but shall not thereby be released from any obligations under this Convention which have not been discharged by the end of that crop year. Any such withdrawing member shall not be bound by the provisions of the amendment occasioning its withdrawal. If any member satisfies the Council at its first meeting following the effective date of the amendment that its acceptance could not be secured in time by reason of constitutional or institutional difficulties and declares its intention to apply the amendment provisionally pending acceptance of that amendment, the Council may extend for such member the period fixed for acceptance until these difficulties have been overcome.

5. If any member considers that its interests are prejudiced by operation of this Convention, it may state its case to the Council and the Council shall, within 30 days, examine the matter. If the member concerned considers that notwithstanding the Council's intervention its interests continue to be prejudiced, it may withdraw from this Convention at the end of any crop year by giving written notice of withdrawal to the Government of the United States of America at least 90 days prior to the end of that crop year, but shall not, thereby, be released from any obligations under this Convention which have not been discharged by the end of that crop year.

6. Any member which becomes a Member State of the EEC during the currency of this Convention shall notify the Council, and the Council shall, within 30 days, consider the matter with a view to negotiating with that member and the EEC an appropriate adjustment of their respective rights and obligations under this Convention. The Council shall have power, in such circumstances, to recommend an amendment in accordance with paragraph 2 of this Article.

Article 28

Territorial application

1. Any Government may, at the time of signature or ratification, acceptance, approval, provisional application of or accession to this Convention declare that its rights and obligations under this Convention shall not apply in respect of one or more of the territories for the international relations of which it is responsible.

2. With the exception of territories in respect of which a declaration has been made in accordance with paragraph 1 of this Article, the rights and obligations of any Government under this Convention shall apply in respect of all territories for the international relations of which that Government is responsible.

3. Any member may, at any time after its ratification, acceptance, approval, provisional application of or accession to this Convention, by notification to the Government of the United States of America, declare that its rights and obligations under this Convention shall apply in respect of one or more of the territories regarding which it has made a declaration in accordance with paragraph 1 of this Article.

4. Any member may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Convention separately in respect of one or more of the territories for whose international relations it is responsible.

5. When a territory to which this Convention extends under paragraphs 2 and 3 of this Article subsequently attains independence, the Government of that territory may, within 90 days after the attainment of independence, declare by notification to the Government of the United States of America that it has assumed the rights and obligations of a party to this Convention.

6. For the purposes of the redistribution of votes under Article 12, any change in the application of this Convention in accordance with this Article shall be regarded as a change in participation in this Convention in such a manner as may be appropriate to the circumstances.

Article 29

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, provisional application of, and accession to, this

Convention, as well as each notification and notice received under Article 27 and each declaration and notification received under Article 28.

Article 30

Certified copy of the Convention

As soon as possible after the definitive entry into force of this Convention, the depositary Government shall send a certified copy of this Convention in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Convention shall likewise be communicated.

Article 31

Relationship of Preamble to Convention

This Convention includes the Preamble to the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments have signed this Convention on the dates appearing opposite their signatures.

The texts of this Convention in the English, French, Russian and Spanish languages shall all be equally authentic, the originals being deposited with the Government of the United States of America, which shall transmit a certified copy thereof to each signatory and acceding Government and to the Executive Secretary of the Council.

ANNEX A

Votes of exporting members

Argentina	100
Australia	100
Bulgaria	5
Canada	280
European Economic Community	100
Greece	5
Kenya	5
Mexico	5

Spain	5
Sweden	10
United States of America	280
Union of Soviet Socialist Republics	100
Uruguay	5
	<hr/> 1 000

ANNEX B

Votes of importing members

Algeria	14	Kuwait	3
Austria	1	Lebanon	9
Barbados	1	Libya	5
Bolivia	5	Malta	2
Brazil	71	Mauritius	2
Ceylon	17	Morocco	10
China	19	Nigeria	7
Colombia	8	Norway	14
Costa Rica	3	Pakistan	16
Cuba	2	Panama	2
Denmark	1	Peru	25
Dominican Republic	1	Portugal	18
Ecuador	3	Saudi Arabia	10
El Salvador	2	South Africa	10
European Economic Community	152	Switzerland	16
Finland	2	Syria	5
Guatemala	3	Trinidad and Tobago	4
India	34	Tunisia	5
Indonesia	7	Turkey	4
Iran	2	United Arab Republic	65
Ireland	7	United Kingdom	183
Israel	5	Vatican City	1
Japan	178	Venezuela	29
Kingdom of the Netherlands (1)	1		<hr/> 1 000
Korea, Republic of	16		

(1) With respect to the interests of Netherlands Antilles and Surinam.

Food aid convention, 1971

*Article I***Objective**

The objective of this Convention is to carry out a food aid programme with the help of contributions for the benefit of developing countries.

*Article II***International food aid**

1. The countries parties to this Convention agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph 2 below.

2. The minimum annual contribution of each country party to this Convention is fixed as follows:

	<i>Metric tons</i>
Argentina	23 000
Australia	225 000
Canada	495 000
European Economic Community	1 035 000
Finland	14 000
Japan	225 000
Sweden	35 000
Switzerland	32 000
United States of America	1 890 000

3. For the purpose of the operation of this Convention, any country which has signed this Convention pursuant to paragraph 2 of Article VI or which has acceded to this Convention pursuant to paragraph 2 or 3 of Article VIII shall be deemed to be listed in paragraph 2 of Article II together with the minimum contribution of such country as determined in accordance with the relevant provisions of Article VI or Article VIII.

4. The contribution of a country making the whole or part of its contribution to the programme in the form of cash shall be calculated by evaluating the quantity determined for that country (or that portion of the quantity not contributed in grain) at US \$ 1.73 per bushel.

5. Food aid in the form of grain shall be supplied on the following terms:

(a) sales for the currency of the importing country which is not transferable and is not convertible into currency or goods and services for use by the member country ⁽¹⁾,

(b) a gift of grain or a monetary grant to be used to purchase grain for the importing country; or

(c) sales on credit with payment to be made in reasonable annual amounts over periods of twenty years or more and with interest at rates which are below commercial rates prevailing in world markets ⁽²⁾ on the understanding that food aid in the form of grains shall be supplied to the maximum extent possible on the terms indicated in subparagraphs (a) and (b) above.

6. Grain purchases shall be made from participating countries.

7. In the use of grant funds, special regard shall be had to facilitating grain exports of developing member countries. To this end priority shall be given so that not less than 35% of the cash contribution to purchase grain for food aid or that part of such contribution required to purchase 200 000 metric tons of grain shall be used to purchase grains produced in developing member countries.

8. Contributions in the form of grains shall be placed in fob forward position by donor countries.

9. Countries parties to this Convention may, in respect of their contribution to the food aid programme, specify a recipient country or countries.

10. Countries parties to this Convention may make their contribution through an international organization or bilaterally. However, in accordance with the recommendation made in paragraph 3 of resolution 2682 (XXV) of the United Nations General Assembly, they shall give full consideration to the advantages of directing a greater proportion of food aid through multilateral channels and shall place special emphasis on using the World Food Programme.

(1) Under exceptional circumstances an exemption of not more than 10% may be granted.

(2) The credit sales agreement may provide for payment of up to 15% of principal upon delivery of the grain.

*Article III***Food Aid Committee**

1. There shall be established a Food Aid Committee whose membership shall consist of the countries listed in paragraph 2 of Article II of this Convention and of the other countries that become party to this Convention. The Committee shall appoint a Chairman and a Vice-Chairman.

2. The Committee may, when appropriate, invite representatives of the secretariats of other international organizations whose membership is limited to Governments that are also Members of the United Nations or its specialized agencies to attend as observers.

3. The Committee shall:

- (a) receive regular reports from member countries on the amount, content, channelling and terms of their food aid contributions under this Convention;
- (b) keep under review the purchase of grains financed by cash contributions with particular reference to the obligation in paragraph 7 of Article II concerning purchase of grain from developing participating countries.

4. The Committee shall:

- (a) examine the way in which the obligations undertaken under the food aid programme have been fulfilled;
- (b) exchange information on a regular basis on the functioning of the food aid arrangements under this Convention, in particular, where information is available, on its effects on food production in recipient countries. The Committee shall report as necessary.

5. For the purposes of paragraph 4 of this Article the Committee may receive information from recipient countries and may consult with them.

*Article IV***Administrative provisions**

The Food Aid Committee as set up according to the provisions of Article III shall use the services of the Secretariat of the International Wheat Council for the performance of such administrative duties as the Committee may request, including the processing and distribution of documentation and reports.

*Article V***Defaults and disputes**

In the case of a dispute concerning the interpretation or application of this Convention or of a default in obligations under this Convention, the Food Aid Committee shall meet and take appropriate action.

*Article VI***Signature**

1. This Convention shall be open for signature in Washington from 29 March 1971 until and including 3 May 1971 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland, and the United States of America, and by the European Economic Community and its Member States, provided that they sign both this Convention and the Wheat Trade Convention, 1971.

2. This Convention shall also be open for signature, on the same conditions, to countries signatories of the Food Aid Convention, 1967 which are not enumerated in paragraph 1 of this Article, provided that their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1967.

*Article VII***Ratification, acceptance or approval**

This Convention shall be subject to ratification, acceptance or approval by each signatory in accordance with its constitutional or institutional procedures, provided that it also ratifies, accepts or approves the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 17 June 1971, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

*Article VIII***Accession**

1. This Convention shall be open for accession by the European Economic Community and its Member States or by any other Government referred to in Article VI, provided the Government also accedes to the Wheat Trade Convention, 1971 and provided further that in the case of Governments referred to in paragraph 2 of Article VI their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1967. Instruments of accession under this paragraph shall

be deposited not later than 17 June 1971, except that the Food Aid Committee may grant one or more extensions of time to any Government that has not deposited its instrument of accession by that date.

2. The Food Aid Committee may approve accession to this Convention, as a donor, by the Government of any Member of the United Nations or its specialized agencies on such conditions as the Food Aid Committee considers appropriate.

3. If any such Government, which is not referred to in Article VI, wishes to apply for accession to this Convention between the close of the period fixed for signature and the entry into force of this Convention, the signatories of this Convention may approve accession on such conditions as they consider appropriate. Any such approval and conditions shall be as valid under this Convention as if this action had been taken by the Food Aid Committee after the entry into force of this Convention.

4. Accession shall be effected by deposit of an instrument of accession with the Government of the United States of America.

Article IX

Provisional application

The European Economic Community and its Member States and the Government of any other country referred to in Article VI may deposit with the Government of the United States of America a declaration of provisional application of this Convention, provided they also deposit a declaration of provisional application of the Wheat Trade Convention, 1971. Any other Government whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application. The European Economic Community and its Member States as well as any Government depositing such a declaration shall provisionally apply this Convention and be provisionally regarded as parties thereto.

Article X

Entry into force

1. This Convention shall enter into force for the European Economic Community and its Member States and for those Governments that have deposited instruments of ratification, acceptance, approval, conclusion, or accession as follows:

(a) on 18 June 1971 with respect to all provisions other than Article II; and

(b) on 1 July 1971 with respect to Article II,

provided that the European Economic Community and its Member States and all Governments listed in paragraph 1 of Article VI have deposited such instruments or a declaration of provisional application by 17 June 1971 and that the Wheat Trade Convention, 1971 is in force. For any other Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Convention, this Convention shall enter into force on the date of such deposit.

2. If this Convention does not enter into force in accordance with the provisions of paragraph 1 of this Article, the Governments which by 18 June 1971 have deposited instruments of ratification, acceptance, approval, conclusion or accession or declarations of provisional application may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, provided that the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

Article XI

Duration

This Convention shall be effective for a three-year period from the date of the entry into force of Article II of this Convention.

Article XII

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, this Convention.

Article XIII

Certified copy of the Convention

As soon as possible after the definitive entry into force of this Convention, the depositary Government shall send a certified copy of this Convention in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Convention shall likewise be communicated.

*Article XIV***Relationship of Preamble to Convention**

This Convention includes the Preamble to the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Govern-

ments or authorities, have signed this Convention on the dates appearing opposite their signatures.

The texts of this Convention in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party.

Information concerning the deposit of the instrument concluding the International Wheat Agreement, 1971

Following the Council Decision of 25 June 1974 on the conclusion of the International Wheat Agreement of 1971 ⁽¹⁾, the instrument concluding this Agreement was deposited on 1 July 1974 with the Government of the United States as depositary State,

by Mr J. Otto Krag, Head of the Commission Delegation in Washington, authorized for this purpose by the President of the Council.

⁽¹⁾ It should be noted that the Council had decided to apply this Agreement provisionally on 7 June 1971.
