

Commodity Credit Corporation, and classification of expenditures, formerly covered in former section 1703(a) of this title, for provision for payment for commodities, now provided for by section 1706(a) of this title.

1964—Pub. L. 88-638 substituted “less than the minimum rate required by section 2161 of Title 22 for loans made under that section” for “more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section”.

1962—Pub. L. 87-703 substituted “reasonable” for “approximately equal” annual amounts and provided for deferral of date for beginning annual payment.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Jan. 1, 1991, see section 1513 of Pub. L. 101-624, set out as a note under section 1691 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

#### EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-113 effective Oct. 1, 1977, see section 1901 of Pub. L. 95-113, set out as a note under section 1307 of this title.

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.

#### DELEGATION OF FUNCTIONS

Functions of President under subsec. (j) of this section delegated to Secretary of State by section 4(b) of Ex. Ord. No. 12752, Feb. 25, 1991, 56 F.R. 8256, set out as a note under section 1691 of this title.

### § 1734. Agreements

#### (a) In general

Before entering into agreements with foreign countries under subchapters II and III-A for the provision of commodities, the Secretary or the Administrator, as appropriate, shall consider the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development.

#### (b) Terms of agreement

An agreement entered into under this chapter shall—

(1) include an estimate of the annual value or volume of agricultural commodities proposed to be made available to the country or eligible organization under the agreement;

(2) with respect to agreements entered into with foreign countries under subchapters II and III-A, include a statement of the manner in which the agricultural commodities provided under the agreement or the revenues generated by the sale of such commodities (if such commodities are sold), will be integrated into the overall development plans of the country to improve food security and agricultural development, alleviate poverty, and pro-

mote broad-based, equitable, and sustainable agriculture and broad-based economic growth;

(3) with respect to agreements entered into under subchapters II and III-A, include a statement of the manner in which competitive private sector participation within the recipient country in the storage, marketing, transportation, and distribution of agricultural commodities made available under this chapter will be encouraged;

(4) include a statement that such agreement shall be subject to the availability, during each fiscal year to which the agreement applies, of the necessary appropriations and agricultural commodities; and

(5) contain such other terms and conditions as the Secretary or the Administrator, as appropriate, determines to be necessary.

#### (c) Multi-year agreements

##### (1) In general

Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

(A) may be made available under subchapters II and III-A; and

(B) shall be made available under subchapter III.

##### (2) Exception

The Secretary or the Administrator, as appropriate, may determine not to make assistance available on a multi-year basis with respect to a recipient country or an eligible organization if it is determined that assistance should be provided to such country or through such organization only on an annual basis because—

(A) the past performance of the country or organization in meeting program objectives does not warrant a multi-year agreement;

(B) it is anticipated that the need of the country or organization for food aid does not extend beyond 1 year; or

(C) other circumstances, as determined by the Secretary or the Administrator, as appropriate, indicate there is only a need for a 1 year agreement.

#### (d) Review of agreements

The Secretary or the Administrator, as appropriate, may make a determination to terminate, or refuse to enter into, a multi-year agreement with respect to a recipient country if the Secretary or the Administrator determines that such country is not fulfilling the objectives or requirements of this chapter. In making such a determination, the Secretary or the Administrator, as appropriate, may consider the extent to which the country is—

(1) making significant economic development reforms;

(2) promoting free and open markets for food and agricultural producers; and

(3) fostering increased food security.

(July 10, 1954, ch. 469, title IV, §404, as added Pub. L. 86-341, title I, §14, Sept. 21, 1959, 73 Stat. 610; amended Pub. L. 89-808, §2(E), Nov. 11, 1966, 80 Stat. 1536; Pub. L. 96-53, title II, §209, Aug. 14, 1979, 93 Stat. 370; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3648; Pub. L. 104-127, title II, §214, Apr. 4, 1996, 110 Stat. 956.)

## AMENDMENTS

1996—Subsec. (a). Pub. L. 104-127, §214(1), inserted “with foreign countries” after “Before entering into agreements”.

Subsec. (b)(2). Pub. L. 104-127, §214(2), inserted “with foreign countries” after “agreements entered into” and “and broad-based economic growth” before semicolon at end.

Subsec. (c)(1). Pub. L. 104-127, §214(3), added par. (1) and struck out heading and text of former par. (1). Text read as follows: “Agreements to provide assistance on a multi-year basis under this chapter shall be made available to recipient countries or to eligible organizations.”

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions outlining aims of assistance programs, namely humanitarian and national interest objectives, and requiring assessments of recipient countries to determine types and quantities of commodities needed, conditions under which distribution should take place, most suitable timing for delivery, etc.

1979—Pub. L. 96-53 designated existing provisions as subsec. (a), substituted provisions relating to aims of programs of assistance conducted under this chapter and sections 1427 and 1431 of this title and the types and quantities of agricultural commodities to be made available, for provisions relating to aims of assistance programs undertaken pursuant to this chapter and sections 1427 and 1431 of this title, and added subsec. (b).

1966—Pub. L. 89-808 substituted provision declaratory of aims of assistance programs as the attainment of humanitarian objectives and the national interest for provisions requiring the Secretary of Agriculture to maximize the sale of commodities and avoid displacement of cash sales, now provided for by sections 1703(n) and 1707(b) of this title.

## EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Jan. 1, 1991, see section 1513 of Pub. L. 101-624, set out as a note under section 1691 of this title.

## EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-53 effective Oct. 1, 1979, see section 512(a) of Pub. L. 96-53, set out as a note under section 2151 of Title 22, Foreign Relations and Inter-course.

## EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.

**§ 1735. Consultation**

The Secretary and the Administrator shall cooperate and consult in the implementation of this chapter.

(July 10, 1954, ch. 469, title IV, §405, as added Pub. L. 86-341, title I, §14, Sept. 21, 1959, 73 Stat. 610; amended Pub. L. 87-703, title II, §201(4), Sept. 27, 1962, 76 Stat. 611; Pub. L. 89-808, §2(E), Nov. 11, 1966, 80 Stat. 1536; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3650.)

## AMENDMENTS

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions requiring funds and authority under this chapter be used to assist friendly countries determined to increase their self-reliance in food production and managing population growth.

1966—Pub. L. 89-808 substituted provisions respecting self-help in meeting food requirements and in resolving problems relative to population growth for provisions respecting entry into agreements for participation in

supply and assistance program on a proportionate and equitable basis.

1962—Pub. L. 87-703 substituted “In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations” for “In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations”.

## EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Jan. 1, 1991, see section 1513 of Pub. L. 101-624, set out as a note under section 1691 of this title.

## EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-808 effective Jan. 1, 1967, see section 5 of Pub. L. 89-808, set out as a note under section 1691 of this title.

**§ 1736. Use of Commodity Credit Corporation****(a) In general**

The Commodity Credit Corporation may acquire and make available such agricultural commodities as necessary to carry out agreements under this chapter.

**(b) Included expenses**

With respect to commodities made available under subchapters III and III-A, the Commodity Credit Corporation may pay—

(1) the cost of acquiring such commodities;

(2) the costs associated with packaging, enrichment, preservation, and fortification of such commodities, including the costs of carrying out section 1736g-2 of this title;

(3) the processing, transportation, handling, and other incidental costs up to the time of the delivery of such commodities free on board vessels in United States ports;

(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

(5) the costs associated with transporting such commodities from United States ports to designated points of entry abroad in the case—

(A) of landlocked countries;

(B) of ports that cannot be used effectively because of natural or other disturbances;

(C) of the unavailability of carriers to a specific country; or

(D) of substantial savings in costs or time that may be effected by the utilization of points of entry other than ports;

(6) in the case of commodities for urgent and extraordinary relief requirements (including pre-positioned commodities) the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs; and

(7) the charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

**(c) Commodity Credit Corporation**

The funds, facilities, and authorities of the Commodity Credit Corporation may be used to carry out this chapter.

**(d) Availability of funds**

Funds shall be available under this chapter only to the extent provided in advance in appropriation Acts.