

sale pursuant to the provisions of title I of the Act [this subchapter] as long as cotton is in surplus supply in the same manner as any other agricultural commodity or product is made available, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the Act [this chapter].”

[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.]

CARGO PREFERENCE LAW EXEMPTION

Act Aug. 3, 1956, ch. 933, §3, 70 Stat. 988, provided that: “Sales of fresh fruit and the products thereof under title I of the Act [sections 1701 to 1704, 1705 to 1707, 1708 to 1711 of this title] shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U.S.C. 616a) [now 46 U.S.C. 55304] and section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) [now 46 U.S.C. 55305]).”

IMPLEMENTATION OF PROGRAM

Program under this subchapter to provide for sale of agricultural commodities to developing countries to be implemented by Secretary of Agriculture, see Ex. Ord. No. 12752, §1(a), Feb. 25, 1991, 56 F.R. 8255, set out as a note under section 1691 of this title.

§ 1702. Agreements regarding eligible countries and private entities

(a) Priority

In selecting agreements to be entered into under this subchapter, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

- (1) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and
- (2) demonstrate the greatest need for food.

(b) Private entities

An agreement entered into under this subchapter with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

(July 10, 1954, ch. 469, title I, §102, 68 Stat. 455; Apr. 25, 1955, ch. 27, 69 Stat. 44; Pub. L. 88-638, §1(3), Oct. 8, 1964, 78 Stat. 1035; Pub. L. 89-808, §2(B), Nov. 11, 1966, 80 Stat. 1526; Pub. L. 90-436, §9, July 29, 1968, 82 Stat. 451; Pub. L. 95-88, title II, §201(a), Aug. 3, 1977, 91 Stat. 545; Pub. L. 95-113, title XII, §1201, Sept. 29, 1977, 91 Stat. 955; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3634; Pub. L. 104-127, title II, §203, Apr. 4, 1996, 110 Stat. 951; Pub. L. 110-246, title III, §3005, June 18, 2008, 122 Stat. 1822.)

AMENDMENTS

2008—Subsec. (a). Pub. L. 110-246, §3005(1), redesignated pars. (2) and (3) as (1) and (2), respectively, and struck out former par. (1) which read as follows: “have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;”

Subsec. (c). Pub. L. 110-246, §3005(2), struck out subsec. (c) which related to agricultural market development plan pursuant to which a developing country could demonstrate potential to become a commercial market for competitively priced United States agricul-

tural commodities for the purpose of being granted a priority under former subsec. (a)(1).

1996—Pub. L. 104-127 amended section generally, substituting present provisions for provisions outlining eligibility of developing countries for assistance under this subchapter and factors in determining priority for assistance.

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions authorizing Commodity Credit Corporation to finance sales from its own and private stocks, and allowing it, upon request, to serve as purchasing and/or shipping agent.

1977—Pub. L. 95-113 inserted provisions authorizing the Corporation, when requested by the purchaser of commodities, to serve as the purchasing or shipping agent, or both, in arranging the purchasing or shipping of the commodities.

Pub. L. 95-88 struck out proviso prohibiting the financing by the Commodity Credit Corporation of the sale and export of agricultural commodities where the exporter had engaged in any sales, trade, or commerce with North Vietnam, or with any resident thereof, or which owned or controlled any company so engaged either directly or indirectly, and struck out an additional proviso requiring that financing applications be accompanied by statements in which were listed the branches, etc., in which the applicant had a controlling interest and the companies which had a controlling interest in the applicant company.

1968—Pub. L. 90-436 inserted proviso that the Commodity Credit Corporation should not finance the sale and export of any agricultural commodities where the exporter has engaged in any sales, trade or commerce with North Vietnam, or with any resident thereof, or which owns or controls any company so engaged, or which is owned or controlled by any company or person so engaged either directly or indirectly, and the further proviso that the financing application be accompanied by a statement in which are listed the branches, etc., in which the applicant has a controlling interest and the companies which have a controlling interest in the applicant company.

1966—Pub. L. 89-808 incorporated provisions formerly constituting subsec. (a)(2), and struck out other provisions of subsec. (a) and (a)(1) relating to availability of stocks acquired in price support operations and ocean freight charges, such charges now covered by section 1708 of this title, and subsec. (b) for letters of commitment against funds or guaranties and establishment of accounts.

1964—Subsec. (a). Pub. L. 88-638 authorized Commodity Credit Corporation to finance ocean freight charges incurred under agreements entered into after Dec. 31, 1964, to extent such charges are higher because of requirement that commodities be shipped in United States flag vessels, and provided that such agreements require balance of such charges to be paid in dollars.

1955—Subsec. (a). Act Apr. 25, 1955, struck out requirement that exporters of privately owned stocks acquire an equivalent quantity of Commodity Credit Corporation stocks.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-246 effective May 22, 2008, see section 4(b) of Pub. L. 110-246, set out as an Effective Date note under section 8701 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 1977 AMENDMENTS

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.

Pub. L. 95-88, title II, §215, Aug. 3, 1977, 91 Stat. 552, provided that: “The provisions of this title [enacting sections 1712 to 1714 and 1727 to 1727f of this title,

amending this section and sections 1427, 1431, 1692, 1703, 1706, 1711, 1721, 1722, 1723, 1726, 1731, and 1736b of this title, and enacting provisions set out as notes under sections 1708 and 1722 of this title] shall become effective October 1, 1977."

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.

§ 1703. Terms and conditions of sales

(a) Payment

(1) Dollars

Except as provided in paragraph (2), agreements under this subchapter shall require that payment for agricultural commodities be made in dollars.

(2) Local currencies

(A) In general

The Secretary may permit payment under an agreement under this subchapter in the local currency of the appropriate country in order to use the proceeds from such payments to carry out activities under section 1704 of this title.

(B) Rates of exchange

Payments in local currency shall be at rates of exchange that are no less favorable than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

(b) Interest

Such agreements shall provide that interest accrue on the payment deferred under such agreement at a concessional rate as determined appropriate by the Secretary.

(c) Duration

Payments required under such agreements may be made in reasonable annual amounts over the period (not more than 30 years from the date of the last delivery of commodities in each year under such agreement) specified in the agreement.

(d) Deferral of payments

The Secretary may defer the date on which the developing country or private entity is required to begin making payment, under such agreements, for a period of not in excess of 5 years after the date of the last delivery of commodities in each year under the agreement, and interest shall be computed from the date of such last delivery.

(e) Delivery of commodities

Delivery of the commodities shall be made in accordance with the terms of the agreement.

(July 10, 1954, ch. 469, title I, §103, 68 Stat. 456; Aug. 12, 1955, ch. 873, §1, 69 Stat. 721; May 28, 1956, ch. 327, title II, §208(a), 70 Stat. 201; Aug. 3, 1956, ch. 933, §1, 70 Stat. 988; Pub. L. 85-128, §1(2), Aug. 13, 1957, 71 Stat. 345; Pub. L. 85-931, §2, Sept. 6, 1958, 72 Stat. 1790; Pub. L. 86-341, title I, §2, Sept. 21, 1959, 73 Stat. 606; Pub. L. 87-28, May 4, 1961, 75 Stat. 64; Pub. L. 87-128, title II, §201(2), Aug. 8, 1961, 75 Stat. 306; Pub. L. 88-638, §1(4), (5),

Oct. 8, 1964, 78 Stat. 1035; Pub. L. 89-808, §2(B), Nov. 11, 1966, 80 Stat. 1526; Pub. L. 90-436, §§4, 5, July 29, 1968, 82 Stat. 450; Pub. L. 91-524, title VII, §703, Nov. 30, 1970, as added Pub. L. 93-86, §1(26), Aug. 10, 1973, 87 Stat. 237; Pub. L. 93-125, §1(e), Oct. 18, 1973, 87 Stat. 450; Pub. L. 94-161, title II, §203, Dec. 20, 1975, 89 Stat. 851; Pub. L. 95-88, title II, §§201(b), 211(b)(1), Aug. 3, 1977, 91 Stat. 545, 551; Pub. L. 95-424, title I, §102(b)(2)(B), Oct. 6, 1978, 92 Stat. 941; Pub. L. 96-53, title II, §201, Aug. 14, 1979, 93 Stat. 368; Pub. L. 97-113, title IV, §401(2)-(4), Dec. 29, 1981, 95 Stat. 1537; Pub. L. 99-198, title XI, §1111(d), Dec. 23, 1985, 99 Stat. 1475; Pub. L. 100-202, §9, Dec. 22, 1987, 101 Stat. 1329-448; Pub. L. 101-624, title XV, §1512, Nov. 28, 1990, 104 Stat. 3634; Pub. L. 104-127, title II, §204, Apr. 4, 1996, 110 Stat. 953.)

AMENDMENTS

1996—Subsec. (a)(2)(A). Pub. L. 104-127, §204(1), struck out "a recipient country to make" after "may permit" and substituted "the appropriate country" for "such country".

Subsec. (c). Pub. L. 104-127, §204(2), struck out "less than 10 nor" before "more than 30".

Subsec. (d). Pub. L. 104-127, §204(3), substituted "developing country or private entity" for "recipient country" and "5 years" for "7 years".

1990—Pub. L. 101-624 amended section generally, substituting present provisions for provisions requiring President to consider efforts of recipients to increase agricultural production, determine amount needed in foreign currencies, protect other markets for United States commodities, make sales only to friendly countries, use private trade channels whenever practicable, consider expansion of markets, prevent resale by recipients, obtain favorable exchange rates, emphasize production of food crops, assist friendly countries in avoiding Communist domination, require payment of at least 5 per centum of purchase price upon delivery in dollars or convertible currency, obtain commitments from recipients to publicize source of food, require convertibility of foreign currencies, avoid displacement of sales that would otherwise have been made, assure United States obtains fair share in increase of commercial purchases by recipients, assure convertibility of foreign currencies at uniform exchange rates, and favor countries promoting private sector in allocation of commodities.

1987—Subsec. (r). Pub. L. 100-202 added subsec. (r).

1985—Subsec. (b). Pub. L. 99-198, §1111(d)(1), inserted ", in section 1708 of this title," after "section 1704 of this title".

Subsec. (d). Pub. L. 99-198, §1111(d)(2), struck out "for dollars on credit terms" after "agricultural commodities".

Subsec. (m). Pub. L. 99-198, §1111(d)(3), inserted introductory text "except as provided in section 1708 of this title," substituted a period for the semicolon at end of cl. (2), and inserted provisions respecting period for convertibility of foreign currencies into dollars and establishment in the agreement for sale of a schedule for conversion without specifying the exchange rate.

Subsec. (n). Pub. L. 99-198, §1111(d)(4), struck out "for dollars on credit terms" after "sales" and "for cash dollars" after "made".

Subsec. (o). Pub. L. 99-198, §1111(d)(5), substituted "take" for "Take".

Subsecs. (p), (q). Pub. L. 99-198, §1111(d)(6), (7), substituted "except as provided in section 1708 of this title, assure convertibility" for "Assure convertibility".

1981—Subsec. (b). Pub. L. 97-113, §401(2), struck out requirement that President take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign cur-