

## ARTICLE 10

The Government of each participating exporting country agrees to adjust the production of sugar in its country during the term of this Agreement and in so far as practicable in each quota year of such term (by regulation of the manufacture of sugar or, when this is not possible, by regulation of acreage or plantings) so that the production does not exceed such amount of sugar as may be needed to provide for domestic consumption, exports permitted under this Agreement, and maximum stocks specified in Article 13.

## ARTICLE 11

The Government of each participating exporting country agrees to advise the Council as soon as possible of such part of its country's initial export quota and export quota in effect as it expects will not be used and on receipt of such advice, the Council shall take action in accordance with Article 19 (1) (i).

## ARTICLE 12

If the Government of a participating exporting country fails to give notice, within a period determined for the duration of this Agreement by the Council in agreement with that Government, but in any case not exceeding 8 months from the date on which initial export quotas were allocated, of such part of the initial export quota of its country as it expects will not be used, the initial export quota of that country for the following quota year shall be reduced by the difference between the actual exports and the initial export quota or latest export quota in effect, whichever is the less. The Council may decide not to impose this penalty if it is satisfied that a Government failed to give notice because its country's intended exports fell short by reason of *force majeure* or other circumstances beyond its control occurring after the date for notice established in accordance with this Article.

## Chapter VI.—Stocks

## ARTICLE 13

(1) The Governments of participating exporting countries undertake so to regulate production in their countries that the stocks in their respective countries shall not exceed for each country on a fixed date each year immediately preceding the start of the new crop, such date to be agreed with the Council, an amount equal to 20 per cent. of its annual production.

(2) Nevertheless, the Council may, if it considers that such action is justified by special circumstances, authorise the holding of stocks in any country in excess of 20 per cent. of its production.

(3) The Government of each participating country listed in Article 14 (1) agrees:—

- (i) that stocks equal to an amount of not less than 10 per cent. of its country's basic export tonnage shall be held in its country at a fixed date each year immediately preceding the start of the new crop, such date to be agreed with the Council, unless drought, flood or other adverse conditions prevent the holding of such stocks; and
- (ii) that such stocks shall be earmarked to fill increased requirements of the free market and used for no other purpose without the consent of the Council, and shall be immediately available for export to that market when called for by the Council.

(4) The Council may increase the amount of the minimum stocks to be carried under paragraph (3) of this Article up to 15 per cent.