

**LONG TERM WHEAT AGREEMENT BETWEEN THE GOVERNMENT OF
CANADA AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC
OF BRAZIL**

The Government of Canada and the Government of the Federative Republic of Brazil:

DESIROUS of concluding a Long Term Wheat Agreement,

HAVE AGREED as follows:

ARTICLE I

The Government of the Federative Republic of Brazil shall buy in Canada, through the Junta Deliberativa de Trigo da superintendencia Nacional do Abastecimento (hereinafter referred to as the JUNTA) and the Banco do Brasil S.A. — Departamento de Comercializaçao do Trigo (CTRIN), and the Government of Canada shall supply to Brazil, through the Canadian Wheat Board (hereinafter referred to as the BOARD), a minimum quantity of 750,000 (seven hundred and fifty thousand) tonnes up to a maximum of 1,500,000 (one million five hundred thousand) tonnes annually of Western Canadian wheat during the three calendar years 1986 to 1988 inclusive.

ARTICLE II

The payment terms which apply to all shipments made in accordance with Article I shall be as follows:

- (a) Payment in cash upon presentation of shipping documents, against an irrevocable letter of credit opened by Banco do Brasil in favour of the Seller and to be advised through a Canadian chartered bank in Montreal, Canada,
- (b) or at buyer's option, declarable prior to the beginning of each shipment month,

Payment under the following credit terms:

- (i) A cash payment of 10% (ten percent) of the F.O.B. value of each shipment on date of the ocean Bill of Lading and the balance payable: 1/3 of the F.O.B. value 18 (eighteen) months from the date of the ocean Bill of Lading; 1/3 of the F.O.B. value 30 (thirty) months from the date of the ocean bill of Lading; 1/3 of the F.O.B. value 36 (thirty-six) months from the date of the ocean Bill of Lading.
- (ii) Interest on the amounts outstanding on each shipment shall be payable semi-annually from the date of each ocean Bill of Lading. For the first six-month period interest shall be calculated at the rate payable