

3. Any question raised by the Executive Director or by any 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 6

Guidelines relating to concessional transactions

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

2. To this end both supplying and recipient 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, and would increase consumption or stocks in the recipient country. Such measures shall, for countries which are members of FAO, be consistent with the FAO Principles of Surplus Disposal and Guiding Lines and the consultative obligations of FAO members, and may include the requirement that a specified level of commercial imports of grains 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, to recent trends in utilization and imports, 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 Secretariat shall periodically report to the Council on developments in concessional transactions in grains.

ARTICLE 7

Reporting and recording

1. Members shall provide regular reports, and the Council shall maintain records for each crop year, showing separately commercial and special transactions, of all shipments of grain by members and all imports of grain from non-members. The Council shall also maintain, to the extent possible, records of all shipments between non-members.

2. Members shall provide, as far as possible, such information as the Council may require concerning their grain supply and demand, and report promptly all changes in their national grain policies.