

## CHAPTER XIV—PRICES

### ARTICLE 61

#### *Daily and prevailing prices*

1. For the purposes of this Agreement, the daily price of sugar shall be:
  - (a) the average of the spot price under the New York Coffee and Sugar Exchange Sugar Contract No. 11 and the London Sugar Market daily price for Contract No. 2, after conversion of the latter to United States cents per pound free on board and stowed Caribbean port, on the basis of the appropriate current market rate of exchange in London as shall be specified in the rules of procedure, which shall also specify such other relevant factors as should be taken into account when calculating the price; or
  - (b) the lower of the two prices referred to in subparagraph (a) of this paragraph plus five points, if the difference between the two prices is more than ten points.
2.
  - (a) For the purposes of this Agreement, the prevailing price on any market day shall be deemed to be above (or below) a specific level if it is, and remains, above (or below) the specified level for five consecutive market days.
  - (b) The prevailing price shall be deemed to remain above (or below) the stated figure until the conditions in subparagraph (a) of this paragraph are met for it to be below (or above) that stated figure.
  - (c) When the conditions in subparagraph (a) of this paragraph are met for a provision of this Agreement to become applicable, that provision shall become operative as follows:
    - (i) if the provision allows for a discretion of the Council to decide on a course of action different from that prescribed in the provision—on the third market day following that on which those conditions are met;
    - (ii) in all other cases—on the market day following that on which those conditions are met.
3. In the event of either of the prices referred to in subparagraph 1(a) of this article not being available or not representing the price at which sugar is being sold basis 96 degrees polarization on the free market, the Council shall, by special vote, decide to use such other criteria as it deems fit. Such criteria shall be based on spot quotations on recognized sugar exchanges, taking into consideration the respective volume of trade and adequacy of reflection of world prices by such exchanges.

### ARTICLE 62

#### *Adjustment of prices*

1. At its second regular session each quota year the Council shall review the prices referred to in this Agreement.