

LONG TERM GRAIN AGREEMENT BETWEEN CANADA AND POLAND

The Government of Canada and the Government of the Polish People's Republic, desirous of concluding a long term grain agreement, have agreed as follows:

ARTICLE I

The Polish People's Republic shall buy in Canada, through the Polish Foreign Trade Enterprise, Rolimpex, and Canada shall supply through the Canadian Wheat Board, a minimum of 750,000 and a maximum of 1.0 million metric tons of Canadian grain, five per cent more or less, quantity at Rolimpex option, for shipment from Canadian ports during the three year tenure of this Agreement in the following quantities:

In each year a minimum of 250,000 and a maximum of 350,000 metric tons, the precise quantity within this range being at Rolimpex option at time of concluding each specific contract, except that:

not less than 50,000 metric tons and not more than 90,000 metric tons shall be Canada Western Amber Durum Wheat;

the balance shall be Canadian Feed Barley and/or Canada Western Red Spring Wheat at Buyer's option, on the understanding that not more than 100,000 metric tons shall be Canada Western Red Spring Wheat.

ARTICLE II

In consideration of the above undertaking both parties have agreed that the following payment terms shall apply to sales and purchases made under the provisions of this Agreement. Payment is by credit and the following terms shall apply:

- (a) For shipment ex St. Lawrence River Ports, upon declaration of carrying vessel, the Buyer shall open an irrevocable, without recourse, Letter of Credit by BANK HANDLOWY w WARSZAWIE S.A., WARSZAWA, in favour of the Seller, to be advised through a chartered bank in Montreal, Canada, for an amount equivalent to 100% of the elevator loading charge for outward elevation, if any.
- (b) Bills of Exchange (drafts) covering 100% of the F.O.B. invoice value shall be prepared by the Seller and forwarded along with shipping documents for acceptance by C.H.Z. "ROLIMPEX", WARSZAWA, and guaranteed by the BANK HANDLOWY w WARSZAWIE S.A., WARSZAWA, as set out hereunder:

33.333% of the F.O.B. St. Lawrence Port value of each shipment shall be available against draft payable in Montreal, Canada, in Canadian dollars, 18 months from date of Bills of Lading.