

OGSM/416 DDP: 520-7/707Country: Guatemala

## UNITED STATES GOVERNMENT

Agricultural Commodity Foreign Donation Agreement  
(Section 416)

In order to effect the distribution of agricultural commodities for the assistance of needy persons outside the United States, the Agency for International Development (A.I.D.), the Commodity Credit Corporation (CCC) and SHARE (Cooperating Sponsor) agree as follows:

1. CCC agrees to donate to the Cooperating Sponsor agricultural commodities of the kind and amounts specified in Section 2 pursuant to the authority of Section 416 (b) of the Agricultural Act of 1949, as amended. CCC shall deliver such agricultural products in accordance with delivery schedule specified in Section 2.
2. Agricultural commodities to be donated to the Cooperating Sponsor are as follows:

<u>Produce</u>	<u>Package</u>	<u>Quantity</u> <u>MTs (Lbs/000)</u>	<u>Delivery</u> <u>Month</u>	<u>Border</u> <u>Port</u>
Non Fat Dry Milk (Fortified with Vit. A & D)	50 lb sacks	215 (473)	Jan. 1987	Port Quetzal
		137 (304)	March 1987	"
		177 (390)	May 1987	"
		137 (302)	Aug. 1987	"
Subtotal		665 (1,467)		
Butteroil	55 gallon drums	263 (580)	Jan. 1987	Port Quetzal
		152 (335)	March 1987	"
		196 (432)	May 1987	"
		149 (328)	Aug. 1987	"
Subtotal		760.0 (1,675)		
Processed Cheese	#10 Cans	200.0 (440.9)	Jan. 1987	Port Quetzal
		200.0 (440.9)	March 1987	"
		200.0 (440.9)	May 1987	"
		200.0 (440.9)	Aug. 1987	"
Subtotal		800.0 (1,763.6)		

Wheat Flour	50 kilo sacks	51.0 (112.4)	Jan. 1987	Port Quetzal
		51.0 (112.4)	March 1987	"
		51.0 (112.4)	May 1987	"
		51.0 (112.4)	Aug. 1987	"
Subtotal		204.0 (449.6)		
Corn	50 kilo sacks	51.0 (112.4)	Jan. 1987	Port Quetzal
		51.0 (112.4)	March 1987	"
		51.0 (112.4)	May 1987	"
		51.0 (112.4)	Aug. 1987	"
Subtotal		204.0 (449.6)		
Rice	50 kilo sacks	51.0 (112.4)	Jan. 1987	Port Quetzal
		51.0 (112.4)	March 1987	"
		51.0 (112.4)	May 1987	"
		51.0 (112.4)	Aug. 1987	"
Subtotal		204.0 (449.6)		
Total		2,837.0 (6,254.5)		

Note: Should the above schedule change, the Cooperating Sponsor will promptly inform CCC and coordinate a revised delivery schedule. The person to contact is Chief, Export Operations Branch, Agriculture Stabilization and Conservation Service/USDA, Kansas City Commodity Office (KCCO), P.O. Box 205, Kansas City, Missouri 64141, telephone (816)926-6723. Section 2 prevails over Attachment A.

3. The payment of all costs associated with the reprocessing, packaging, transporting, handling and other charges incurred in the distribution of the dairy products will be apportioned as follows:
  - A. CCC agrees to donate the agricultural products without charge and to pay the following costs: Ocean transportation, survey fees, and repackaging of damaged commodities; processing, handling, and transport costs to U.S. port[s] of allocation.
  - B. The Cooperating Sponsor agrees to pay the following costs: Inland transportation, handling and distribution within Guatemala to needy recipients. The cooperating Sponsor agrees to arrange freight forwarding and booking.
4. Notwithstanding Section 210.5 (d) (2) (i), AID Regulation 10; The Cooperating Sponsor will arrange ocean transportation and freight forwarding so as to comply with the requirements of CCC regarding the quantities of commodities made available under this agreement that must be carried on U.S. flag vessels.

5. The Cooperating Sponsor agrees to use the agricultural commodities only in accordance with this Agreement and the approved Plan of Operation, a copy of which is attached hereto as Attachment A. The term and conditions of the Plan of Operation, except for the commodity and delivery schedules, have been incorporated into and constitute a part of this Agreement.
6. The quality of the agricultural commodities to be donated by the Commodity Credit Corporation (CCC) and the packaging descriptions will be in accordance with the specifications in Attachment B to this Agreement.
- . Except as otherwise provided herein, the terms and conditions set forth in A.I.D. Regulation 10 (22 C.F.R. Part 211) are incorporated into and made a part of the Agreement, and all references therein to "dairy products" shall be deemed to apply to the donation of wheat flour, rice, and corn under this agreement.
8. In lieu of Section 210.10(g) A.I.D. Regulation 10, the following shall apply:

The amount to be paid for wheat flour, rice and corn misused, lost or damaged, shall be determined on the basis of the market price at the time and place the misuse, loss or damage occurred or, cases where it is not feasible to obtain or determine such market price, the f.o.b. or f.a.s. commercial export price of the commodity at the time and place of export, plus ocean freight charges and other costs incurred by the Government of the United States in making delivery to the Cooperating Sponsor. When the value is determined on a cost basis, the Cooperating Sponsor may add to the value any provable costs they have incurred prior to delivery by the ocean carrier. In preparing the claim statement, these costs shall be clearly segregated from costs incurred by the Government of the United States. With respect to claims other than ocean carrier loss and/or damage claims, the value of misused, lost or damaged commodities may be determined on some other justifiable basis, at the request of the Cooperating Sponsor and/or upon the approval of the USAID of Diplomatic Post, and/or AID/W.

9. This agreement shall be subject to suspension or termination upon finding by CCC that (1) adequate storage facilities are not available in the recipient country at the time of export to prevent spoilage or waste of the donated commodity, or that (2) the distribution of the commodity in the recipient country will result in a substantial disincentive or interfere with domestic production or marketing in that country.

10. In lieu of Section 210.6 (b) (4), (5), or (b) (6), or any other provisions of A.I.D. Regulation 10 prohibiting the sale of agricultural commodities donated under this Agreement, the Cooperating Sponsor may sell such commodities within Guatemala for the purpose of generating local currency to be used in accordance with the approved Plan of Operation (Attachment A).
11. The provisions of Section 210.6 (a) A.I.D. Regulation 10, to the extent such provisions are not reflected in the Plan of Operation (Attachment A), are deemed waived, in accordance with Section 210.14 (a), A.I.D. Regulation 10.
12. In lieu of Section 210.11 (a) and (c), A.I.D. Regulation 10, the following shall apply:
  - A. The Cooperating Sponsor shall maintain a special account in which it shall deposit the proceeds generated from the sale of commodities provided under this Agreement and maintain records and documents for a period of three years from the date of the export of the agricultural commodities in a manner which will accurately reflect all transactions pertaining to the receipt, storage, distribution, and sales of the agricultural commodities.
  - B. The Cooperating Sponsor shall submit on a quarterly basis a report to the Chief, Title II Division, Food for Peace (AID), State Annex 8, Room 305, Department of State, Washington, DC 20523, USA, and a copy to the Agency for International Development Mission to Guatemala and the Office of the Agricultural Attache in the U.S. Embassy, covering the receipt of agricultural commodities made available by the CCC under this Agreement. The first report shall be submitted by January 31, 1987, and cover the period from the date of the Agreement and monthly thereafter until funds are completely disbursed from the special account. The report must contain the following data:
    - (1) Receipts of agricultural commodity including the name of each vessel's discharge port(s), the date discharge was completed, the condition of the commodities on arrival, any significant loss or damage in transit, advise of any claim for, or recovery of, or reduction of freight charges due to loss or damage in transit on United States flag vessels;
    - (2) Quantity of agricultural commodities sold, proceeds generated, and proceeds deposited into a special account during the reporting period;
    - (3) Estimated commodity inventory at the end of the reporting period;

- (4) Quantity of commodity on order and in transit during the reporting period;
  - (5) Status of claims for commodity losses both resolved and unresolved during the reporting period;
  - (6) Quantity of commodity damaged or declared unfit during the reporting period; and
  - (7) Disbursements from the special account for the purposes specified within the Plan of Operation.
13. Section 210.7 (b), A.I.D. Regulation 10, is deleted in its entirety. This waives the requirement that repackaging Section 416 agricultural commodities must be packed in containers marked furnished by the people of the United States of America and not to be sold or exchanged.

AGENCY FOR INTERNATIONAL DEVELOPMENT

By: Thomas H. Reese, III  
Thomas H. Reese, III  
Title: Director and Coordinator  
Office of Food for Peace

COMMODITY CREDIT CORPORATION

By: Frank Piason  
Frank Piason  
Title: Acting General Sales Manager  
FAS, and Acting Vice President  
Commodity Credit Corporation

NOV 26 1986

Date: \_\_\_\_\_

Date: 21 Nov 1986

Request and Acceptance

The assistance described in this agreement is requested and the terms and conditions of this Agreement and of AID Regulation 10, except as otherwise specifically provided herein, are accepted.

Cooperating Sponsor

By: Carl Shelton  
Title: Executive Director  
Date: Nov 19, 1986

SHARE/GUATEMALA PROGRAM PROPOSAL

UNITED STATES DEPARTMENT OF AGRICULTURE  
Foreign Agricultural Service  
Washington, D.C. 20250  
Section 416 Donation Program  
Operation Plan

1. Name and address of applicant. The applicant must be organized under the laws of the United States and must maintain an office in the United States.

SHARE (Self-Help and Resource Exchange)  
An activity of St. Vincent de Paul within  
the Education and Welfare Corporation.

5255 Lovelock Street  
San Diego, CA 92110

Telephone: (619) 294-2981

2. Country in which the commodities will be used to assist needy people.

GUATEMALA

3. Kind of commodities requested (The quality specifications and packing description of the commodities will be the specifications and packing description shown in Attachment B, unless CCC and the applicant agree to the reprocessing or repackaging).

A. Dairy Products as Specified by CCC

1. non-fat dry milk 665 MT (1,467,002lb)
2. processed American canned cheese 800 MT (1,764,000lb)
3. butter oil 760 MT (1,676,046lb)

B. Grain Products and Oils under new specifications

1. wheat flour 204 MT (450,000lb)
2. whole corn 204 MT (450,000lb)
3. rice 204 MT (450,000lb)

4. Quantity of commodities, grains, oils requested in pounds.  
The quantity requested shall be limited to the amount to be shipped from the U.S. during a twelve month period beginning with the first proposed shipment.

6,257,043 pounds (2838 MT)

5. Delivery schedule. (Show amount of commodities for each delivery period.)

Deliveries will be made on a quarterly basis as indicated below.

Month 1 - 648.57 MT Dairy (1,429,835 lb)  
102.02 MT Grain (225,000 lb)

Month 3 - 479.35 MT Dairy (1,056,769 lb)  
142.88 MT Grain (315,000 lb)

Month 5 - 621.74 MT Dairy (1,370,682 lb)  
204.11 MT Grain (450,000 lb)

Month 8 - 476.17 MT Dairy (1,049,762 lb)  
163.29 MT Grain (360,000 lb)

6. Intended use of the products

A. Describe each program, the problem addressed and the program's response to the problem.

The program will provide Section 416 commodities to approximately 100,000 beneficiaries during the initial twelve month period of this three year project. A majority of beneficiaries will be women of child-bearing age, infants and young children. A smaller proportion will be unemployed males. All beneficiaries are from the lowest socio-economic group. Adult beneficiaries will participate in program related Food For Work (FFW) activities as an eligibility requirement and to facilitate the transition from dependence to self-reliance. The program consists of four components: Family Enhancement, Pre-school Child Feeding, Community Development, and Monetization, as follows:

1. Family Enhancement

The Family Enhancement program responds to the problems of insufficient income to fulfill the basic human needs, such as adequate nutrition, safe and sanitary shelter, and access to primary health care services. A monthly ration will be provided to 100,000 participants and will contribute significantly to each one's daily nutritional requirements while also providing an economic supplement. FFW activities will include repackaging of some commodities and participation in educational programs and workshops (described in detail in Attachments - Schedule B) which will improve participants' knowledge and skills.

In addressing problems related to poor housing, lack of adequate sanitary facilities, potable water and inappropriate health and nutrition practices, special focus will be given to nutrition education related to appropriate use of program commodities, and to development of a referral system to clinic facilities for immunization, and oral rehydration therapy. A staff of medical professionals contracted from the private sector will provide technical assistance for the design and implementation of the educational component. The "take home" ration package will be distributed at churches which will also serve as centers for FFW activities. A nominal fee of approximately fifteen U.S. cents will be requested from each family to cover the costs of on-site storage. No one will be denied access to the products if they cannot afford the contributory fee

## 2. Pre-School Child Feeding

The breakdown of the nuclear family resulting from rapid urbanization and political upheaval in Guatemala has resulted in numerous households headed by women. For mothers who are employed, day-care center facilities are needed during the work day hours, however, due to the low wages and job instability childhood malnutrition is prevalent among this group. Section 416 commodities will be donated to the Government of Guatemala (GOG) and church based day-care facilities for on-site feeding of 1,500 infants and young children. This program will, in addition to providing nutritional supplementation, also represent an economic support to households headed by women whose underemployment (i.e. low wages, sporadic/temporary work) causes them to live at poverty level. These mothers will be encouraged to attend classes offered through the Family Enhancement Program.

Commodities will also be provided for approximately 1,000 infants and young children who receive day-care provided for employees of Guatemala City by the Municipality, and whose necessity derives from the low wages earned by many Guatemalan civil servants.

## 3. Community Development

A pilot GOG program will address the problem of unemployment by providing training and capital to stimulate the development of small businesses. Commodities will be provided to 500 beneficiaries as an incentive to participate in this pilot effort. The activity will be based in low income neighborhoods of Guatemala City. Any capital and training resources required will be provided by the Government of Guatemala.

#### 4. Monetization

Approximately 218 MT (91 MT non-fat dry milk and 127 MT of butter oil) will be monetized through the private sector to cover in-country transportation, and some of the storage costs of the program. These quantities are predicated on the actual bids obtained, and may need to be somewhat altered in order to ensure receipt of the budgeted income detailed below. Local currencies generated from these sales will be placed in a separate account by the SHARE/Guatemala program manager. Quarterly financial reports will be submitted to SHARE headquarters.

#### MONETIZATION PLAN

##### INCOME STATEMENT

Bids will be solicited for purchase from all responsible bakery and ice cream producers. The highest bid will be accepted and results of the sale will be made public indicating the quantity and the purchase price secured. Purchases will be in Guatemalan Quetzales with funds placed in an interest bearing account of a financial institution in Guatemala City. The financial institution chosen will necessarily have offices in the United States.

Estimated income from monetization by product:

200,000# non-fat dry milk @ .9Q/#	-	180,000 Quetzales
280,000# butter/oil @ 1.5Q/#	-	420,000 Quetzales
Total Income		600,000 Quetzales

At the current rate of 3.0 Quetzales/Dollar \$200,000.00 U.S.

##### MONEY MANAGEMENT

Invoices will be submitted for payment to the in-country program manager. He/she will allocate monies from the in-country account per the approved budget. Each month he/she will submit a financial report to the international program manager in the United States office of SHARE. Any expenses deemed necessary by the in-country manager but pertaining to program costs not itemized in the budget (see p. 14) must be approved by the international program manager in the United States prior to payment. See Project Budget page 14 for itemized expenditure.

## B. Geography of the Program

During the first quarter of the programs, all distribution will occur in the poorest neighborhoods of Guatemala City. With the exception of the pilot Community Development small business ventures, which will be implemented primarily in the urban setting, the programs will be gradually expanded to selected underserved suburban and rural areas throughout the initial twelve-month period. Only geographical areas not served by other similar development assistance activities will be included for program development.

## C. Method of Distribution

### 1. Regular Programs

Commodities will be distributed under the auspices of SHARE/Guatemala in cooperation with local church organizations and the Municipal Government of Guatemala City. Commodities for the Family Enhancement and Community Development Programs will be repackaged at distribution centers for bi-monthly take-home ration packages. Pre-School Child Feeding will provide on-site feedings.

Commodities for all regular programs will be transported from the port of entry to storage facilities on vehicles procured through private sector contracts. The SHARE/Guatemala program manager and the municipal government of Guatemala City will cooperate in this regard. Transportation from warehouses to each distribution center will be facilitated by center managers working through the SHARE/Guatemala program manager and the Archdiocese. The costs of this portion of transportation will be covered by beneficiary contributions. While it is hoped that approximately 45,000 Quetzales (\$15,000) will be generated from beneficiary contributions, no one will be denied access to the products if they cannot afford the contributory fee. Quarterly reports noting the amount of beneficiary contributions, and the use of these funds, will be provided by the Guatemala program manager to SHARE/USA, US/AID in Guatemala, and US/AID in Washington D.C.

Beneficiaries will be identified through church sponsored community outreach activities and self-selection. Eligibility will be verified through questionnaires which will also provide a data base for social and nutritional assessments and evaluations.

## 2. Monetization

Approximately 200,000 lb (91 MT) of non-fat dry milk will be reconstituted by the private sector into dairy products such as ice cream or liquid milk, and subsequently marketed through existing retail commercial channels. 280,000 lb (127 MT) of butter oil will be processed into ice cream and bakery products which will also be marketed through the normal retail channels. Transportation from the port of entry to the processing facility will be the responsibility of the purchaser.

## 7. Participation in the Program by Other Organizations

### A. Church and Service Organizations

Community leaders from existing church-based organizations have been identified to assist the SHARE country manager with program implementation. Furthermore, each distribution site will have a contract with SHARE which describes program format and the responsibilities of the center for record-keeping, reporting, financial management and other commodity management tasks identified on a case-by-case basis.

### B. Municipal Government of the City of Guatemala

The municipal government will arrange for duty-free entry, warehousing and transportation to distribution sites in cooperation with appropriate program counterparts. A commodity management office within the municipality has been assigned to the SHARE program.

### C. CARITAS

The SHARE program will be integrated with, or complementary to, ongoing CARITAS community outreach development programs. The Director of Caritas/Guatemala will serve as resident program manager. CARITAS will also provide staff, facilities and some materials for selected programs.

### D. Donor Coordination

SHARE will coordinate closely with other private voluntary organizations in Guatemala, such as the World Food Program and CARE, and the GOG, to insure against duplication.

8. Explain arrangements to be used to assure that the products donated under Section 416 will (a) be in addition to the level of assistance programmed under the Agricultural Trade and Development and Assistance Act of 1954, and (b) not displace products normally purchased on the commercial market for use by the proposed recipients.

The in-kind products donated to SHARE under Section 416 will be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954. However, due to the small size of this program there is no potential for displacement. Additionally, beneficiaries enrolled in regular programs do not have sufficient financial resources to purchase high cost dairy products or grain products in amounts which provide adequate nutrition. This ration package will provide supplementary support to the family food basket. The mentioned portion of monetized commodities will be sold at the commercial wholesale price, thereby realizing maximum funding for programs without displacing commercial sales. Continuing constraints on foreign exchange available for food imports make this monetization advantageous.

9. Describe records to be used to control distribution of the products to provide accountability from the time title is transferred to the applicant until it reaches the eligible recipient.

The SHARE central offices (5255 Lovelock, San Diego, California 92110) will prepare for the consignee a numbered bill of lading for each container load. It will include the date, the specified consignee, the responsible individual who will receive the shipment, and an itemized breakdown of the load. Upon receipt at the port the containers will be transferred to the in-transit storage facility for shipment to warehouse sites. Transport to warehouse sites will be by commercial trucking coordinated by the municipal official named to supervise the project. Containers will remain sealed until arrival at the warehouse sites where they will be reviewed for entry and quantities shipped will be verified by municipal officials.

Upon notification of product arrival, each distributing center will submit to the warehouse facility a quadruplicate order form itemizing quantities needed. The center will retain one copy. The warehouse facility will fill the order and schedule the pick-up. The order form is matched with the distributing center's copy as documentation of receipt. If a site distributes to other local programs, listings of sub-distributors of product are required. Receipt of product for direct distribution at the family level requires listings to be maintained by each distributing center itemizing the individual families, the proportion of allotments and how each family spent the required hours of community service. Upon enrollment families receive a card that documents hours worked and allotments received.

Participant eligibility is determined at the distributing center level where program applicants are asked to respond to family questionnaires. The primary age group addressed is children six and under. Income, age, diet history and family circumstance are all weighed to determine eligibility.

The municipal government has accepted the responsibility for transport and accountability of those products made available to the regular programs. Quantity accountability will be determined by signed receipts of delivery at specified feeding programs.

Receipt of loads to be monetized will be documented by bill of lading.

#### OPERATIONS PLAN

##### Product Flow

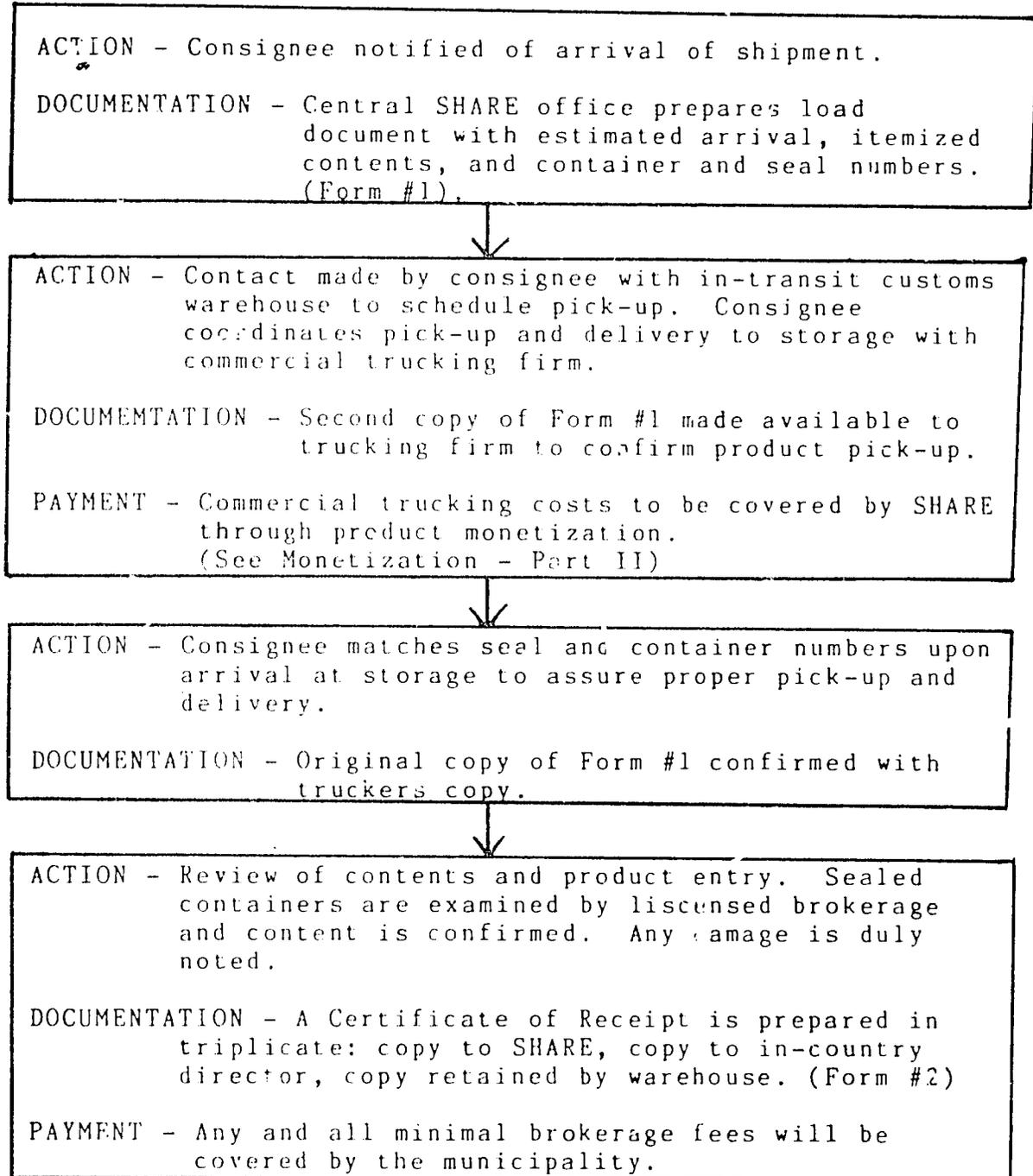
Step I - Receipt at Port to Storage

Step II - Storage to Distribution Site

Step III - Distribution Site to Participant

Each phase is itemized by action taken, documentation and commitment of payment. (All specific forms are attached as SCHEDULE C.)

## STEP I - RECEIPT AT PORT TO STORAGE



## STEP II - STORAGE TO DISTRIBUTION SITE

**ACTION** - Upon notification of product availability, distribution centers submit order forms to storage center personnel. Numbers of beneficiaries are included to assure appropriate allotment made available.

**DOCUMENTATION** - A product quantity order form is prepared (Form #3) in quadruplicate by the distributing center. Retaining one copy, the warehouse receives the original plus two copies to fill the order and schedule pick-up by the distributing organization. Product is released to the distributor matching the copy of the order with that of the warehouse. Forms are signed, indicating clearly any changes from the original. A copy is retained by the warehouse, a copy is forwarded to the program in-country manager and a copy is provided to the distributor.

**PAYMENT** - Distributing organizations source local transport. Several programs have secured arrangements to utilize municipal trucks on as as-needed basis.

**ACTION** - Distributors who service more than one site itemize delivery of product to each.

**DOCUMENTATION** - Form #4 itemizes each site receiving products and the quantities received.

STEP III - DISTRIBUTOR TO INDIVIDUAL PARTICIPANT

ACTION - Each site prepares a document upon receipt itemizing quantities and how the products will be divided into allotments.

DOCUMENTATION - Form #5 includes a load number matched on Form #4. Listings are prepared in duplicate so that quantities received can be confirmed with those released at the warehouse.



ACTION - Each site is responsible to maintain family enrollment forms itemizing products received and work hours accomplished.

DOCUMENTATION - Form #6 contains all pertinent family information and a history of program participation.



ACTION - Each family enrolled receives a membership card which verifies eligibility, product received and work hours completed.

DOCUMENTATION - Form #7 indicates by month the completion of work hours and the receipt of allotments.

10

10. Describe the port facilities in the country through which the products will be received. Describe in such detail to show that adequate facilities are available to handle the products.

Contact will be made with shipping companies having reliable service to the Pacific Port Quetzal in Guatemala. They will be asked to submit bids for transportation contracts. Contracts will be awarded to the lowest responsive bidders adhering to AID American Flag Carrier requirements for Section 416. Port facilities at the newly completed Port Quetzal are extremely modern, well managed and handle vessels and cargo which will be arriving on a routine basis. Gran Colombiana personnel have confirmed that entry and handling at the facility can be accomplished without difficulty. Additionally, the program is requesting only products which are non-perishable and travel well.

Pacific port of entry - Port Quetzal

- 1) Maximal Draft: 10.5 mts. at piers
- 2) No restriction for LOA (Length Over All) and Beam
- 3) Discharge Product: Around 20 mtr. Tons per gang hour
- 4) Discharge Cost: Around 9.75 Quetzales per Ton (\$1 = 3 quetz. aprox.)
- 5) Wharfage pilotage, Tug Boats Service, Etc.: (Approx. 5,000.00 quetzales per call)
- 6) 15,000 MT capacity
- 7) one importation warehouse
- 8) 100 kms. from Guatemala City

11. Describe the transportation and storage system which will be used to move the products from the receiving port to the point distribution is made to the recipient.

The official named by the Municipal Government in Guatemala City will coordinate transportation from the port to the central storage sites via commercial trucking firms. Three sites for storage of the products have been identified:

- EMPAGUA - Empresa Municipal de Agua y Alcanteria
1. Lo de Coy - 2400 sq. mts. capacity  
two fork lifts, loading dock  
additional small storeroom  
24 hour a day security.
  2. Zone 10 - 700 sq. mts. capacity  
pallet jacks for food movement  
good security.
  3. HOSPITAL JUAN PABLO II  
12 Calle Final Zona 7  
Colonia El Rosario, km. 14, Carretera Roosevelt  
- 2000 sq. mts capacity

The SHARE organization maintains control of the products upon export through contractual agreements with the Municipal Government and church and service organizations. Required documentation will assure the integrity of the delivery to the intended recipients. Additionally, documentation of signed receipt of products is required at all levels. All documentation is initiated from the SHARE central offices located at 5255 Lovelock, San Diego, California 92110.

12. Describe any reprocessing or repacking that will occur in the country.

A. Regular Programs

Repackaging into family size packages is managed at the distribution center level. Eligible participants under the direction of the local service organization divide the items from bulk into equal family allotments. Given that the size of the average participating family is eight, the butter oil, canned cheese and non-fat dry milk can be distributed as packaged, requiring no division. Participants acquire a sense of ownership, partnership and community utilizing the hours of service to repackage the food. As the participant base increases, the community service hours needed to accomplish the division into food allotments are satisfied and the excess work hours are diverted into other significant community programs, education and development projects. (See SCHEDULE B).

B. Monetization

Bids will be solicited from ice cream and bakery firms for purchase of the monetized quantities. Non-fat dry milk will be reconstituted by the private sector into dairy products such as ice cream or liquid milk, and subsequently marketed through existing retail commercial channels. The butter oil will be processed into ice cream and bakery products which will also be marketed through the normal retail channels. Transportation from the port of entry to the processing facility will be the responsibility of the purchaser. Specific processing by quantity will necessarily depend upon which type firm submits the highest bid.

13. Explain how costs of administration, storage, transportation, processing, repackaging, special labels, issuance of informative materials, etc. will be financed.

GUATEMALA PROGRAM BUDGET  
(U.S. Dollars)

<u>MANPOWER SECTOR</u>	<u>SHARE</u>	<u>MONETIZE</u>	<u>GOG</u>	<u>CARITAS</u>
Administrative Personnel	36000		2400	2400
Educational Supervisors		30400		
Educational Personnel		55000	29500	248000
Food Movement Personnel		13500	9000	9000
Professional Services/ Legal and Accounting	6000		1000	1000
Insurance Benefits			2500	1000
 <u>FACILITIES SECTOR</u>				
Office Rent/Util.	2500		1000	1000
Warehouse Rent/Util.			5000	5000
Telephone	2200		500	500
Office Supplies	600		100	100
Postage	600		100	100
Security			1500	1500
Depreciation	1000		500	500
Equipment Purchase/Repair	1500		800	4000
 <u>TRANSPORTATION/LOGISTICS SECTOR</u>				
IN-COUNTRY TRANSPORT				
Port to Storage		33750		
Storage to Distribution			30000	15000
TRAVEL EXPENSES	10000		200	1375
 <u>MATERIALS/SUPPLIES SECTOR</u>				
Educational Workbooks/sheets and Monthly Publication	6500	27500	3500	6000
Medical Modules/Primary Health		3000		
Wall Farm Implements		5000		
Sewing Cooperative Set-up		4000	1000	
General Education Support		6000	4000	5000
TOTAL EXPENDITURE BY SECTOR	\$66900	\$178150	\$92600	\$301775
 TOTAL PROGRAM BUDGET U.S. \$ 657,925.00				

## Cost Commitments of Individual Organizations

A. SHARE organization - Costs of administration, program management and support materials (i.e. printing of handouts, development program infrastructure aids) will be covered by SHARE (Self-Help and Resource Exchange). A country program manager will be named for overall management and monitoring of the program. Additionally, an international San Diego administrator will maintain supervisory responsibility for all international programs on a full-time basis.

SHARE will establish and maintain a separate account whereby expenses funded by monetization will be documented. Monetization will provide funding to cover educational personnel, in-country transportation, general facilities expense and materials to promote and support work and educational projects.

B. Municipal Government - Expense for storage will be covered by the Municipal Government of Guatemala City as part of their operating budget in the Department of Human Services. An employee of the municipality has been named to coordinate the logistics for transporting food to the warehouse sites. Additionally he will coordinate all food programs of the municipality so that duplication of effort is avoided.

C. CARITAS - The organization will employ sufficient personnel to successfully monitor and coordinate the program at the distribution level. Most of the manpower required is generated from a volunteer work force.

CARITAS distribution Sites -Organization buildings (Eg. local churches, community halls, etc.) will be utilized as intransit facilities for the products. Costs for repackaging and labeling achieved by program participants in the local sites will be covered through organizational program management. Funds received from the nominal donation requested will be channeled directly back into assisting with site transportation and other distribution costs. Generally, containers (plastic bags, cans, etc.) can be sourced directly from program participants. Re-utilization of the cans generated from the canned products requested is one creative method of the utilization of resources.

D. Informative materials will be provided as a joint effort of all three levels of program organization. Church and other organization agencies generally know the specific needs of the population, and the human service offices of the municipality have trained social workers who can capably develop literature or drawn instructions. SHARE will support the system when mass printing is required or requested.

14. Explain methods of educating recipients on the source of the products, program requirements, and preparation and use of the products.

The network of communication and information available to possible program participants through organizational outreach and social service agencies is the vehicle to be utilized to publicize the program.

The requirement that all adult beneficiaries participate in the educational program and workshops assures adequate opportunity to advise beneficiaries on the source, preparation, and use of the products. Special attention will be paid to nutrition education classes and development of materials stressing appropriate methods for use and re-constitution of non-fat dry milk and safe and sanitary storage of cheese. The non-fat dry milk, butter oil and cheese will be distributed in their original packaging which will be printed with standard AID markings.

15. Describe other contributions such as financial, human resources, other food commodities, etc., including the source, estimates of the amount and role the contributions will play in the program.

A. Human Resources - The requirement of sixteen hours of community service by eligible participants in the primary program plan provides thousands of manpower hours to re-pack and distribute family size allotments of the products. The excess hours accumulated above those necessary for distribution will be diverted into the community development programs.

B. Financial - In addition to the commitment to cover basic program costs by the three managerial organizations, SHARE has established ongoing fund raising activities in the United States with interested community action service groups. Networking with committed community service agencies for financial assistance and in-kind donations of additional food or other commodity support (i.e. seeds for wall-farm projects) will be an important portion of project development. Such efforts allow the program to expand without additional government funding.

The monetization of quantities specified covers all in-country transportation as well as storage expenses of the program for the term of one year.

(See Itemized Monetization Plan - Item 6, page 4)

16. Describe method to be used to supervise and monitor distribution of the products to assure that the intended use of the products is accomplished.

Monitoring and distribution responsibilities will be shared among the SHARE/Guatemala in-country program manager, the municipal government food program manager, and the individual overseeing programs at each distribution center.

SHARE/Guatemala will review all bills of lading to assure consistency in quantities of commodities as they are distributed through the system and verify their authenticity through frequent site inspections. Quarterly reports indicating the status of all commodities at each level of the distribution network will be forwarded to SHARE headquarters.

The municipal government food program manager will provide information to SHARE/Guatemala on a quarterly basis regarding landings and deliveries of commodities. Both managers will verify this information by site visits to warehouses and distribution centers.

Distribution centers will be required to submit quarterly reports to both program managers indicating: commodities received and distributed, number of beneficiaries enrolled in programs, and inventory, if any. This information will be verified through site visits.

In the eighth month of implementation an audit will be conducted under the auspices of SHARE headquarters to verify program integrity.

Distributing bi-monthly rations which provide only what is needed and can be reasonably stored for a brief period, assures that products are consumed within the household. Additionally, the take-home ration is based on actual family size and can therefore impact on both nutritional and economic status in real terms.

17. Provide information to show that the applicant has received approval from the government in the country to import the donated products free from all custom duties, tolls, taxes, etc.

SHARE has received written approval from the Government of Guatemala for duty-free importation of Section 416 commodities for this program (See Attachments - Schedule D).

ATTACHMENTS

- SCHEDULE A
  - PROPOSED DELIVERY SCHEDULE
  - RATE AND METHOD OF DISTRIBUTION
- SCHEDULE B
  - UTILIZATION OF WORK HOURS CREATED
- SCHEDULE C
  - FORMS OF ACCOUNTABILITY OF RECEIPT
- SCHEDULE D
  - DOCUMENTATION OF ENTRY PERMISSION

SCHEDULE A

PROPOSED DISTRIBUTION SCHEDULE  
RATE AND METHOD OF DISTRIBUTION

SCHEDULE A

SHARE/GUATEMALA  
PROPOSED DISTRIBUTION SCHEDULE

	DISTRIBUTION MONTH	NON-FAT MILK	CANNED CHEESE	BUTTER OIL	WHEAT FLOUR	CORN MEAL	RICE	MONTHLY TOTALS
SHIPMENT 1	MONTH #1							
	Family Plan	30,233	21,000	17,234	15,000	15,000	15,000	113,467
	Clinic Plan	30,000	63,000	49,500	0	0	0	142,500
	Monetization	200,000	0	280,000	0	0	0	480,000
	MONTH #2							
	Family Plan	30,233	21,000	17,234	15,000	15,000	15,000	113,467
	Clinic Plan	30,000	63,000	49,500	0	0	0	142,500
	MONTH #3							
	Family Plan	30,233	21,000	17,234	15,000	15,000	15,000	113,467
	Clinic Plan	30,000	63,000	49,500	0	0	0	142,500
	MONTH #4							
	Family Plan	60,466	42,000	34,468	30,000	30,000	30,000	226,934
Clinic Plan	30,000	84,000	66,000	0	0	0	180,000	
SHIPMENT 2	MONTH #5							
	Family Plan	60,466	42,000	34,468	30,000	30,000	30,000	226,934
	Clinic Plan	30,000	84,000	66,000	0	0	0	180,000
	MONTH #6							
	Family Plan	60,466	42,000	34,468	30,000	30,000	30,000	226,934
	Clinic Plan	30,000	84,000	66,000	0	0	0	180,000
MONTH #7								
Family Plan	90,699	63,000	51,702	45,000	45,000	45,000	340,401	
Clinic Plan	30,000	105,000	82,500	0	0	0	217,500	
SHIPMENT 3	MONTH #8							
	Family Plan	90,699	63,000	51,702	45,000	45,000	45,000	340,401
	Clinic Plan	30,000	105,000	82,500	0	0	0	217,500
	MONTH #9							
	Family Plan	90,699	63,000	51,702	45,000	45,000	45,000	340,401
	Clinic Plan	30,000	105,000	82,500	0	0	0	217,500
MONTH #10								
Family Plan	120,936	84,000	66,944	60,000	60,000	60,000	451,880	
Clinic Plan	30,000	126,000	97,000	0	0	0	253,000	
SHIPMENT 4	MONTH #11							
	Family Plan	120,936	84,000	66,944	60,000	60,000	60,000	451,880
	Clinic Plan	30,000	126,000	97,000	0	0	0	253,000
	MONTH #12							
	Family Plan	120,936	84,000	66,946	60,000	60,000	60,000	451,882
	Clinic Plan	30,000	126,000	97,000	0	0	0	253,000
TOTAL		1,467,002	1,764,000	1,676,046	450,000	450,000	450,000	6,257,048

## RATE AND METHOD OF DISTRIBUTION

Quantities itemized in Schedule A were determined by the following program plan. Initial participation in the program requires the identification of 3,000 individual families to commit to the format and stated program purpose. Of the 125 distribution sites, this represents ten locations enrolling 300 participants each. During the initial quarter, the participant base will be increased to include 6,000 families. At the second semester 9,000 families will be enrolled and at year end 12,000 families will be participating.

The program concept considers consistent monthly participation a basic requirement for eligibility by individual families. Only constant adequate nutrition at the family level combined with participation in community service programs can meaningfully address community health and development issues.

Initially program participants are organized to utilize the required community service hours in the division of the food products into family size allotments.\* Food distribution rates are as follows:

### Monthly Allotments:

Wheat Flour **	5.0 pounds
Corn	5.0 pounds
Rice	5.0 pounds
Butter/Oil	5.5 pound can
Canned Cheese	7.0 pound can

### Bi-Monthly Allotments:

Non-Fat Powdered Dry Milk      2 X 4.5 pounds = 9 pounds

\*Quantities forecast per family are based on rates of distribution in the United States to families eligible for food assistance programs. Five to six member families is the average in Guatemala per the AID mission and calculations are determined on that statistic.

\*\*Any combination of grain products totaling approximately fifteen pounds per month per family would be considered an adequate nutritional intervention. The product variety would be preferable.

In the family distribution plan, the canned cheese will be carefully introduced in the nutrition education seminar so that families can be taught its use with their traditional dishes. The inclusion of canned cheese in the program addresses the prevalence of low calorie and low protein diets. The canned cheese will be utilized in the municipal day care program and by the federal work-for-food program to motivate small business ventures. In the day care plan the mother's of participant children will be instructed and familiarized with the product. The work-for-food program will distribute cheese only to families with adequate refrigeration.

**SCHEDULE B**

**UTILIZATION OF WORK HOURS**

## COMMUNITY SERVICE DEVELOPMENT

Social problems have been magnified in Guatemala in recent years due to political upheaval and migration evident in all of Central America. Specifically this has created excessive husband absenteeism and single mother families with many children. Church involvement in the area of social service is extensive and serves as the base for promoting methods of family integration and self-sufficiency.

Utilizing the churches and municipal clinics as distribution sites creates a network of communication, social service and coordination in local communities. Program participants will be organized into committees with specific community development goals. The initial organization of participants utilizes the hours of service to assist repackaging the food. As the process for this develops and with the inclusion of more participants excess required service hours will be diverted to other committees.

## SEMINAR REQUIREMENT

All participant families will be required to attend a series of educational seminars developed by licensed health care professionals. Each segment will consist of four hours and will be broken down as follows:

- Block One - Four Hour Seminar Sanitation and Hygiene
- Block Two - Four Hour Seminar Food Use, Nutrition, Recipes
- Block Three - Four Hour Primary Health Seminar  
(Breast Feeding and General Health)
- Block Four - Four Hour Primary Health Seminar  
(Oral Rehydration and Immunization)
- Block Five - Four Hour Seminar Natural Family Planning

All seminars include adequate follow-up and repetition of information on an on-going basis.

## COMMITTEES TO BE DEVELOPED

1. Nutritional Education - Ongoing educational programs to update seminars on product use, fundamentals of nutrition, child care and hygiene. A special module will be provided on recipes, appropriate reconstitution methods, and the safe and sanitary storage of NFDM at the household level.
2. Vocational Education - Housing in many areas is inadequate or in poor repair. On site educational programs are to be developed to instruct participants in the use of local resources to upgrade their housing. One plan already in use on a program in Mexico, utilizes the cans from the products in roofing.
3. Cottage Industries - Promotion of cottage industry is recommended as the availability of infrastructure for industry is limited and manpower is at a surplus. This specifically addresses the issue of the single mother household with many dependent children. Local markets for handmade items may not be extensive but linking the outlying areas with the city is more possible through the program network.
4. Wall-Farm Project - Participants will be trained in a one-day, eight hour seminar and are given a hands-on opportunity to plant a model minifarm for harvest by the local community. The concept is to train recipients in a specific method of vegetable farming utilizing a wall structure. This plan requires no land and can be accomplished in pots with little natural light. The wallfarms require little infrastructure to implement and little maintenance time. Communities are encouraged to work together on larger community gardens for development of surplus production. The development of this program offers additional nutritional support in areas where fresh produce is often completely omitted from the diet.

5. Community Clean-up - Simple projects to collect garbage in the community can be implemented and put in place to utilize family hours including the efforts of children.

6. Day Care - Simple coordination of work hours required by participant mothers can organize their community hours to provide day care for one another enabling mothers to obtain possible paid employment outside the home.

SCHEDULE C

FORMS OF ACCOUNTABILITY OF RECEIPT



W O R L D  
**SHARE**

5355 Lovelock St  
San Diego, CA 92110  
(619) 294-2981

DESCRIPTION OF SHARE SHIPMENT  
DESCRIPCION DEL ENVIO DE SHARE

Consignee \_\_\_\_\_  
Consignatario \_\_\_\_\_

Address \_\_\_\_\_  
Direccion \_\_\_\_\_

Contact Person \_\_\_\_\_  
Agente Responsable \_\_\_\_\_

Shipping Line \_\_\_\_\_  
Empresa de Transporte \_\_\_\_\_

Address \_\_\_\_\_  
Direccion \_\_\_\_\_

Telephone \_\_\_\_\_  
Telefono \_\_\_\_\_

Estimated Time of Arrival \_\_\_\_\_  
Llegada: Hora Aproximada \_\_\_\_\_

Ref: USDA # \_\_\_\_\_  
No. de Referencia del Dept. de Agricultura de los E.E.U.U. \_\_\_\_\_

Container # \_\_\_\_\_ Seal # \_\_\_\_\_  
No. del Contenedor \_\_\_\_\_ No. del Cierre \_\_\_\_\_

Contents \_\_\_\_\_  
Contenido \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Weight \_\_\_\_\_  
Peso \_\_\_\_\_

Observations \_\_\_\_\_  
Observaciones \_\_\_\_\_

Information Confirmed by \_\_\_\_\_  
Informacion Confirmada por \_\_\_\_\_

Title \_\_\_\_\_  
Titulo \_\_\_\_\_

Date \_\_\_\_\_  
Fecha \_\_\_\_\_



W O R L D  
SHARE

5155 Lovelock St  
San Diego, CA 92110  
(619) 294-2981

"COMPARTIENDO"

FORM #2

CERTIFICADO DE RECEPCION DE MERCADERIA

BODEGA \_\_\_\_\_ No \_\_\_\_\_

1. Procedencia de la mercadería \_\_\_\_\_
2. Nombre de la empresa de transporte \_\_\_\_\_  
Placa No \_\_\_\_\_ Piloto \_\_\_\_\_
3. Nombre del consignatario \_\_\_\_\_
4. Nombre del agente responsable \_\_\_\_\_
5. Numero y clase de unidades recibidas:

CANTIDAD	BULTOS Cajas-Sacos, etc.	CLASE DE MERCADERIA

6. Condiciones de la mercadería \_\_\_\_\_
7. Razon de la perdida o daño: \_\_\_\_\_  
\_\_\_\_\_

Sacos o Cajas Buenas	Sacos o Cajas Rotas	Total Lbs. Recibidas	Total de Pérdidas en Lbs.	Total en Lbs.

OBSERVACIONES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Firma del Piloto Transportista \_\_\_\_\_

Firma del Bodeguero \_\_\_\_\_

Lugar y Fecha \_\_\_\_\_ de \_\_\_\_\_ 198 \_\_\_\_\_

76



WORLD SHARE

una acción solidaria de

Caritas Arquidiocesana

12 CALLE FINAL 196 ZONA 7 COLONIA ROSARIO  
TEL. 933787 GUATEMALA, C. A.

PROGRAMA ALIMENTOS POR TRABAJO

"REALIZAR LA VERDAD EN EL AMOR, PARA CENTRAR TODAS LAS COSAS EN CRISTO" (EFESIOS 4: 15)

No. DE ORDEN 0003

No. DEL CENTRO \_\_\_\_\_

CATEGORIA \_\_\_\_\_

No. DE BENEFICIARIOS \_\_\_\_\_

CONTRIBUCION DEL CENTRO EN EL MES \_\_\_\_\_

MUESTRA  
B.P.  
A. P. J. J.

ORDEN DE ENTREGA DE ALIMENTOS

RECEIVED SEP 30 1985

NOMBRE DEL CENTRO \_\_\_\_\_

DIRECCION ACTUALIZADA DEL CENTRO \_\_\_\_\_

RESPONSABLE DEL CENTRO \_\_\_\_\_

DIRECCION ACTUALIZADA DEL RESPONSABLE \_\_\_\_\_

DIA Y HORA DE DISTRIBUCION A BENEFICIARIOS \_\_\_\_\_

CLASE DE PROYECTO ALIMENTOS POR TRABAJO

TIPO DE TRANSPORTE \_\_\_\_\_ PLACAS \_\_\_\_\_

NUMERO Y NOMBRE DE UNIDADES RECIBIDAS \_\_\_\_\_

FRIJOL \_\_\_\_\_ QUINTALES EXACTOS ARROZ \_\_\_\_\_ QUINTALES EXACTOS

MAIZ \_\_\_\_\_ QUINTALES EXACTOS HARINA DE TRIGO \_\_\_\_\_ SACOS

ACEITE \_\_\_\_\_ GALONES LECHE \_\_\_\_\_ KILOS

OBSERVACIONES \_\_\_\_\_

CUOTA CORRESPONDIENTE AL MES DE \_\_\_\_\_ DE 19 \_\_\_\_\_

FECHA PROXIMA DE ENTREGA \_\_\_\_\_ DE 19 \_\_\_\_\_

LUGAR Y FECHA \_\_\_\_\_ DE 19 \_\_\_\_\_

RECIBIO CONFORME \_\_\_\_\_

CELIA BEATRIZ ESPINO C  
DEPTO. CONTABILIDAD  
CARITAS ARQUIDIOCESANA

T S. CORINA MERIDA MUNOZ  
JEFE DEL PROGRAMA NUTRICIONAL EDUCATIVO  
CARITAS ARQUIDIOCESANA

ORIGINAL BODEGA C. A.



5255 Lovelock St  
San Diego, CA 92110  
(619) 294-2981

O K I D  
SHARE

SHARE/COMPARTIR FOOD FOR PEACE

Date \_\_\_\_\_  
Fecha \_\_\_\_\_

Load # \_\_\_\_\_  
No. de Encargamento \_\_\_\_\_

DISTRIBUTING AGENCY  
ORGANIZACION DE DISTRIBUCION \_\_\_\_\_

RECEIVING HOST ORGANIZATIONS  
ORGANIZACIONES LOCALES

	MILK/LECHE DESCREMADA EN POLVO	CANNED CHEESE/ QUESO ENLATADO	BUTTER OIL/ ACEITE DE COCINA	WHEAT FLOUR/ HARINA DE TRIGO	CORN MEAL/ HARINA DE MAIZ	RICE/ ARROZ
1. _____						
2. _____						
3. _____						
4. _____						
5. _____						
6. _____						
7. _____						

TOTALS DISTRIBUTED  
TOTALES DISTRIBUIDOS \_\_\_\_\_

RESPONSIBLE AGENT  
AGENTE RESPONSABLE \_\_\_\_\_  
Signature/Firma



WORLD  
SHARE

5355 Lovelock St  
San Diego, CA 92110

SHARE/COMPARTIR FOOD FOR PEACE

Date \_\_\_\_\_  
Fecha \_\_\_\_\_

Load \_\_\_\_\_  
No. de Encargamento \_\_\_\_\_

HOST ORGANIZATION \_\_\_\_\_  
ORGANIZACION LOCAL \_\_\_\_\_

DISTRIBUTED/DISTRIBUIDO	CASES/CAJAS	FAMILY ALLOTMENTS/ PORCIONES DE FAMILIA
POWDERED MILK LECHE DESCREMADA EN POLVO	_____	_____
CANNED CHEESE QUESO ENLATADO	_____	_____
BUTTER OIL ACEITE DE COCINA	_____	_____
	_____	_____
WHEATFLOUR HARINA DE TRIGO	_____	_____
CORNMEAL/CORN HARINA DE MAIZ	_____	_____
RICE ARROZ	_____	_____

NUMBER OF PARTICIPANTS \_\_\_\_\_  
NUMERO DE PARTICIPANTES \_\_\_\_\_

RESPONSIBLE AGENT \_\_\_\_\_  
AGENTE RESPONSABLE \_\_\_\_\_ Signature/Firma



WORLD  
SHARE

5255 Lovelock St  
San Diego, CA 92110

SHARE (COMPARTIR)

CENTRO DE DISTRIBUCION  
DISTRIBUTION CENTER \_\_\_\_\_

NOMBRE Y APELLIDO DEL PADRE  
FATHER'S FIRST AND LAST NAMES \_\_\_\_\_

NOMBRE Y APELLIDO DE LA MADRE  
MOTHER'S FIRST AND LAST NAMES \_\_\_\_\_

DIRECCION  
ADDRESS \_\_\_\_\_

NUMERO DE PERSONAS EN ESTE HOGAR  
NUMBER OF PEOPLE IN THIS HOUSEHOLD \_\_\_\_\_

EDAD DEL PADRE  
FATHER'S AGE \_\_\_\_\_

EDAD DE LA MADRE  
MOTHER'S AGE \_\_\_\_\_

NOMBRES Y EDADES DE LOS NIÑOS:  
CHILDREN'S NAMES AND AGES

- 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_
- 5. \_\_\_\_\_ 6. \_\_\_\_\_ 7. \_\_\_\_\_ 8. \_\_\_\_\_
- 9. \_\_\_\_\_ 10. \_\_\_\_\_ 11. \_\_\_\_\_ 12. \_\_\_\_\_

NOMBRES Y EDADES DE OTRAS PERSONAS EN ESTE HOGAR:  
NAMES AND AGES OF OTHER PEOPLE IN THIS HOUSEHOLD:

- 1. \_\_\_\_\_ 2. \_\_\_\_\_
- 3. \_\_\_\_\_ 4. \_\_\_\_\_

OCUPACION DEL PADRE  
FATHER'S OCCUPATION \_\_\_\_\_

SALARIO  
SALARY \_\_\_\_\_

OCUPACION DE LA MADRE  
MOTHER'S OCCUPATION \_\_\_\_\_

SALARIO  
SALARY \_\_\_\_\_

FECHA DATE	No. DE CARGA TRUCK LOAD #	No. DE DESPENSAS # OF FOOD PACKAGES	SERVICIO COMUNITARIO COMMUNITY SERVICE (2hrs/pkg)
Ene/Jan			
Feb/Feb			
Mar/Mar			
Abr/Apr			
May/May			
Jun/Jun			
Jul/Jul			
Ago/Aug			
Sep/Sep			
Oct/Oct			
Nov/Nov			
Dic/Dec			

	ENERO	ENERO	FEB	FEB	MARZO	MARZO	ABRIL	ABRIL	
	 <p># de dispensas _____</p> <p># de esta carta _____</p> <p># de personas en la familia _____</p> <p>Organizacion de Distribucion _____</p> <p>Agente Responsable _____</p> <p>Nombre de la Familia _____</p> <p>Direccion _____</p> <p>_____</p> <p>FIRMA: _____ FECHA: _____</p>								MAYO
DIC									MAYO
DIC									JUNIO
NOV									JUNIO
NOV									
	OCT	OCT	SEPT	SEPT	AGOSTO	AGOSTO	JULIO	JULIO	

	ENERO	ENERO	FEB	FEB	MARZO	MARZO	ABRIL	ABRIL	
	 <p># de dispensas _____</p> <p># de esta carta _____</p> <p># de personas en la familia _____</p> <p>Organizacion de Distribucion _____</p> <p>Agente Responsable _____</p> <p>Nombre de la Familia _____</p> <p>Direccion _____</p> <p>_____</p> <p>FIRMA: _____ FECHA: _____</p>								MAYO
DIC									MAYO
DIC									JUNIO
NOV									JUNIO
NOV									
	OCT	OCT	SEPT	SEPT	AGOSTO	AGOSTO	JULIO	JULIO	

SCHEDULE D

ENTRY DOCUMENTS/TRANSLATIONS



MUNICIPALIDAD DE GUATEMALA  
EL ALCALDE

OF. No. 863-86

22 de julio de 1986

Señor  
Carl Shelton  
S H A R E  
Presente

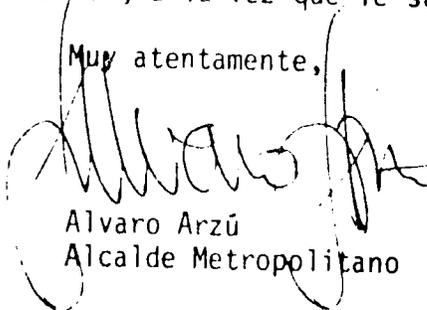
Estimado señor Shelton:

Tengo el agrado de dirigirme a usted para comunicarle que esta Mu  
nicipalidad tiene exoneración de impuestos de importación para --  
cualquier insumo que se adquiriera o reciba, con el fin de realizar  
sus obras y proyectos.

Por lo tanto, por este medio nos comprometemos a realizar las ges  
tiones necesarias para acelerar el ingreso, sin ningún impuesto,  
de los productos que nos envíe la Institución que usted representa,  
para llevar a cabo nuestros programas.

Agradezco su valiosa colaboración, a la vez que le saludo,

Muy atentamente,



Alvaro Arzú  
Alcalde Metropolitano



/mcdev

OE. No. 863-86

July 22, 1986

Mr. Carl Shelton  
SHARE

Dear Mr. Shelton:

It is a pleasure to address myself to you in order to inform you that this Municipality is exonerated from import taxes for whatever product it acquires or receives in order to accomplish its works and projects.

Therefore, by this means we commit to carry out the arrangements necessary to speed up the entry, duty-free, of the products sent for the accomplishment of our programs, by the Institution you represent.

I thank you for your valuable cooperation, and send you my greetings.

Yours Sincerely,

Alvaro Arzu  
Metropolitan Mayor

/mcdev



Guatemala, 5 de septiembre de 1986.-

Señor  
Carl Shelton  
S H A R E,  
Presente.

Estimado Señor Shelton:

En virtud de habernoslo requerido así el señor Secretario Municipal Licenciado Carlos García Regás, manifestamos a Usted que, con base en lo establecido por los artículos 121 inciso c) y 260 de la Constitución Política de la República de Guatemala, que establecen que los bienes del municipio son bienes del Estado y que por lo tanto gozan de las garantías y privilegios de los bienes del mismo, y en el principio de que el Estado no puede imponerse obligaciones tributarias a sí mismo, la Municipalidad de Guatemala está exenta del pago de impuestos o derechos de importación para cualquier insumo que se adquiriera o reciba.

Sin otro particular, me suscribo de Usted con las muestras de mi más alta consideración,

*[Handwritten signature]*  
Lic. Leda Echeverría de Granados

Por; Jefe de la Administración Jurídica

Vo.Bo.

*[Handwritten signature]*  
Alvaro Arzú Irigoyen  
ALCALDE MUNICIPAL



*[Handwritten signature]*  
Lic. Carlos A. García Regás  
SECRETARIO MUNICIPAL

Guatemala, September 5, 1986

Mr. Carl Shelton  
SHARE

Dear Mr. Shelton:

As requested by the Municipal Secretary Carlos Garcia Regas we manifest to you that, based on article 121 clause c), and article 260, of the Political Constitution of the Republic of Guatemala, which establish that Municipal goods are State goods and therefore enjoy the same guarantees and privileges, and based on the principle that the State cannot impose tax obligations on itself, the Municipality of Guatemala is exempt from paying taxes or import duties for any product it might acquire or receive.

With nothing further, I extend my highest regards,

Leda Echeverria de Granados  
For: Head of Legal Administration

Alvaro Arzu Irigoyen  
Municipal Mayor

Carlos A. Garcia Regas  
Municipal Secretary

## NONFAT DRY MILK

This commodity is a good supplement in programs where there is need for additional protein in the diet. Because the energy to protein ratio is extremely low, this commodity is only suitable for child feeding if it is mixed with other commodities, preferably concentrated sources of energy such as oil or sugar.

Nutritive Values (per 100g)

<u>Energy and Nutrients</u>	<u>Amount</u>	<u>Unit</u>
Food Energy	363	Kcal
Protein	35.9	g
Crude Fat	0.8	g
Carbohydrates	52	g
Calcium	1308	mg
Iron	0.6	mg
Phosphorus	1016	mg
Potassium	1745	mg
Sodium	532	mg
Thiamine	0.4	mg
Niacin	8.0	NE
Riboflavin	1.8	mg
Vitamin A (fortified only)	5000 minimum	IU
Vitamin C (fortified only)	7	mg
Vitamin D (fortified only)	500 minimum	IU

Ingredients and Processes

**Nonfortified** Fat and water removed from pasteurized, fresh, sweet milk by spray process. Contains the lactose, milk proteins, and milk minerals in the same relative proportions as the fresh milk from which it is made. Fat content does not exceed 1-1/2% by weight.

**Fortified** Same as nonfortified, but includes not less than 5000 I.U. of Vitamin A and 500 I.U. of Vitamin D. Stabilized and blended in a dry, edible and soluble carrier.

Packaging

Packaging Description: 50-pound sacks (22.4 kg) suitable for exportation (approximately 1.22 cubic feet per sack) constructed of 3 layers of kraft paper, within side linings of polyethylene. Sacks may be sealed by sewing horizontally along upper edge, without sewing the polyethylene linings, or the sacks may be sealed with heat. If bags are sewn, exposed threads will be covered with paper to prevent insect and dust penetration into the powder. Each sack contains a loose 4-mil polyethylene lining insert, gathered in the form of a goose neck and tied.

Inspection and Testing

1. Nonfat dry milk is U.S. Extra Grade, and shall meet the United States Standards for Grades of nonfat dry milk (spray process), in effect on May 18, 1984.
2. Inspection and testing procedures for the purpose of determining the grade and weight will be done in accordance with the following USDA procedures:
  - a. USDA General Instruction for Sampling Nonfat Dry Milk, dated July 13, 1970, as revised (DA Instruction No. 918-30)
  - b. USDA Methods of Laboratory Analysis for Dry Whole Milk and Nonfat Dry Milk, dated November 30, 1972, (DA Instruction No.98-103-1)

Storage

Requires Dry Storage

## BUTTEROIL

Nutritive Values (per 100g)

<u>Energy and Nutrients</u>	<u>Amount</u>	<u>Unit</u>
Food Energy	876	Kcal
Protein	.3	g
Crude Fat	99.5	g
Carbohydrates	0	g
Calcium	0	mg
Iron	0	mg
Phosphorus	0	mg
Potassium	0	mg
Sodium	0	mg
Thiamin	0	mg
Niacin	0	NE
Riboflavin	0	mg
Vitamin A	4,080.0	IU
Vitamin C	0	mg
Vitamin D	44.8	IU

Ingredients and Process

Butteroil	Milkfat not less than 99.6% moisture not more than 0.3%; other butter constituents not more than 0.1 percent of which salt shall be not more than 0.05 percent.
Packaging	Butteroil will be packed in new 55-gallon nonreturnable steel drums. The drum will weigh about 440 pounds (200 kilos) net. The filled drums shall be vacuum sealed or a nitrogen blanket may be applied to eliminate air in the drum. Butteroil is also available in No. 10 cans of approximately 5.5 pounds net weight. The filled cans shall be vacuum sealed or a nitrogen blanket may be applied to eliminate air in the can.
Inspection	<ol style="list-style-type: none"> <li>1. The butteroil shall be processed from butter which conforms to the flavor requirements of U.S. Grade AA, U.S. Grade, U.S. Grade A or U.S. Grade B immediately prior to processing.</li> <li>2. Inspection and testing procedures shall be in accordance with USDA Methods of Laboratory Analysis for Moisture, Fat, Salt, Curd, and PH dated March 1982 (DA INST. No. 918-101-1) and the Association of Official Analytical Chemists methods of analysis for determining free fatty acids and peroxide value.</li> </ol>
Storage	Requires no refrigeration; however, should be kept as cool as possible (preferably below 75 F or 24 C). Approximate storage life at 70 F (21 C) is 3 months, and 6 months at 50 F (10 C).

## PROCESSED CHEESE

Nutritive Values (per 100g)

<u>Energy and Nutrients</u>	<u>Amount</u>	<u>Unit</u>
Food Energy	370	Kcal
Protein	23.2	g
Crude Fat	30	g
Carbohydrates	1.9	g
Calcium	697	mg
Iron	0.9	mg
Phosphorus	771	mg
Potassium	80	mg
Sodium	1136	mg
Thiamin	0.02	mg
Niacin	Trace	ME
Riboflavin	0.41	mg
Vitamin A	1120	IU
Vitamin C	0	mg
Vitamin D	10.4	IU

Ingredients and Process

Pasteurized  
Processed American  
Cheese

Cheese contains not more than 40 percent moisture and not less than 50 percent milkfat on the waterfree basis. Cheese has a uniform, medium yellow color. Its body is smooth, medium firm, and resilient with practically no steam holes or openings. Its texture is close and free from lumps or graininess. Cheese will slice freely, show not more than a slight brittleness or roughness, and will not stick to the knife or break when cut. Its flavor is pleasing and characteristic of processed cheese made from mild to medium-cured cheddar cheese and is free from undesirable flavors and odors.

Packaging

Cheese loaves will be five pounds (2.266 kg) net weight wrapped in heat sealed cellophane or polyvinylidene chloride (Saran) coated cellophane containing not more than one milligram of vinyl chloride per one kilogram of Saran film weight, and packaged in fiberboard or chipboard cartons with covers. Six such loaves will be packed in a corrugated fiberboard shipping container (approximately 0.6 cubic feet per container) suitable for sea transportation. Processed cheese is also available in No. 10 cans of approximately 7.0 pounds net weight. The filled cans shall be vacuum sealed to eliminate air in the can.

## Processed Cheese

2

**Inspection  
and  
Testing**

Inspection and testing procedures for the purpose of determining the weight, moisture and fat content will be done in accordance with the following USDA procedures:

- a. USDA Notice to Inspectors, CCC Purchase of Processed Cheese and Cheese Spread dated July 15, 1976, as revised (DA Instruction No. 918-22).
- b. USDA Methods of Laboratory Analysis for Bulk (Natural) Cheese, Processed Cheese and Cheese Foods, dated July 15, 1972, as amended (DA Instruction No. 918-102-1)

**Storage**

Requires refrigeration 30 to 40 F (-1.1° to 4.4°C)  
Relative Humidity 50 to 75%

COMMODITY SPECIFICATIONS - WHEAT FLOUR

A. Final Product Specifications

The wheat flour shall be milled and processed in the United States, its territories, or possessions, from wheat produced in the United States. Bread Flour shall be milled from classes of Hard Red Spring, Hard Red Winter, or the subclass Hard White of the class White Wheat as defined in the Official Grain Standards of the United States for Wheat. All Purpose Flour shall be milled from wheat of the classes Hard Red Spring, Hard Red Winter, or Soft Red Winter or from wheat of the subclasses Hard White or Soft White of the class White Wheat, or any combination thereof, as defined in Official Grain Standards of the United States for Wheat. Wheat flour processed and shipped under this Announcement shall be: (1) All Purpose Flour or Bread Flour, (2) Enriched, (3) Fortified, and (4) Bleached or unbleached, and shall meet the requirements listed in Table 1. Enrichment shall be in accordance with the latest Standards of Identity for wheat flour. Bleaching, if performed, shall also be in accordance with these standards. Fortification with calcium and vitamin A shall be in accordance with Paragraph 5.A. The flour shall conform to all of the provisions of the Federal Food, Drug, and Cosmetic Act, as amended, and the regulations promulgated thereunder including the Defect Action Level guidelines issued by the Food and Drug Administration on March 6, 1980, for wheat flour. Any shipments having a fragment count in excess of the guidelines as indicated here, will be rejected to the contractor for his account: Fifty (50) insect fragments per fifty (50) grams or one (1) rodent hair per fifty (50) grams. The final product shall conform to the following detailed requirements:

Table 1 - Chemical and Physical Requirements

	<u>All Purpose Flour</u>		<u>Bread Flour</u>	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Protein (NX5.7), % <u>1/</u>	9.0	-	11.0	-
Moisture, %	-	14.0	-	14.0
Ash, % <u>1/</u>	-	<u>2/</u>	-	<u>2/</u>
Crude Fiber, % <u>1/</u>	-	-	-	<u>2/</u>
Calcium, mg. per lb. <u>3/</u>	500	625	500	625
Vitamin A Palmitate				
IU <u>4/</u> . . . . . per lb.	4,000	6,000	4,000	6,000
Falling Number <u>1/</u>	175	350	200	300
Material that will pass through a U.S. Standard No. 20 woven-wire-cloth sieve, %	-	-	-	-

1/ These limiting values are on a 14.0 percent moisture basis.

2/ For maximum ash see table in Paragraph 5.C.

3/ Calcium amounts up to 1107 mg/lb are considered within the specifications limit so long as the ash/calcium ratio is met as shown in the table of maximum allowable ash in relation to the amount of added calcium. Calcium may be added only in forms which are harmless and assimilable.

## WHEAT FLOUR

- 4/ Vitamin A Palmitate shall be added in encapsulated or beadlet form. Particle size of the beadlet shall comply with the requirement that at least 98% shall pass through a U.S. Standard No. 50 sieve, at least 90% through a U.S. Standard No. 60 sieve and at least 45% through a No. 100 sieve. The product shall be not less than 95% of the all-trans isomer as determined by the USP assay procedure. Flour should not be sifted through a cloth after vitamin supplementation which would remove the Vitamin A beadlets. The vitamin A Palmitate shall have storage stability such that not more than 20 percent of its original activity shall be lost when stored for 21 days at 45°C in a sealed container at a level of 4,000 to 6,000 IU per pound in wheat flour having a moisture content in the range of 13.5 to 14.5 percent.

Flavor Stability: When used for fortifying wheat flour at the level of 4,000 to 6,000 IU per pound, the Vitamin A Palmitate preparation shall contribute no off-flavor or odor to the dry mix, or to the cooked products prepared from the fortified flour.

The Vitamin A must have been tested by the vitamin manufacturer to assure stability of the vitamin: A wheat flour of 65 percent to 75 percent extraction (wheat basis) having moisture content in the range of 13.5 to 14.5 percent shall be used for blending with the Vitamin A Palmitate preparation. The flour used for blending should be enriched in accordance with the latest Standard of Identity for wheat flour. Iron may be added only in forms which are harmless and assimilable. The flour shall be fortified with the Vitamin A Palmitate preparation to be tested to the level of 4,000 to 6,000 IU per pound, first preparing a premix with the flour to contain about 500,000 IU per pound, blending this thoroughly, then mixing into the balance of the flour and blending thoroughly. The fortified flour shall be stored in 8-ounce, round glass bottles approximately 2-1/4" x 5" tall provided with plastic screw caps having polyvinyl liners with pulp packing. Between 110 and 120 grams of fortified flour are placed in each bottle leaving about one inch head space, the lids are tightened, and the upper portion of the bottle and the complete lid are coated with parafin by inverting and dipping in a bath of melted wax to prevent moisture loss. Bottles are stored 45° for 21 days and assayed for Vitamin A, using a minimum sample size of 25 grams for each determination. Loss is determined by assaying in duplicate three bottles of flour before and after storage. Analysis of concentrates and of original and stored blends shall be carried out by the following method: Carr-Price Blue Color Method, Methods of Vitamin Assay, Association of Vitamin Chemists, Inc., Interscience Publishers, Inc., New York (1951).

The given log of Vitamin A does not require retesting unless its potency as determined by the USP XVII analytical procedure has fallen below the manufacturer's label claim for the product.

B. Methods of Analyses

Unless otherwise specified, the test methods for the finished product and any ingredients therein shall be those of the Official Methods of the Association of Official Analytical Chemists, the American Association of Cereal Chemists, or the American Oil Chemists' Society, as applicable and in effect on the date of issuance of the Invitation under which the contract involved was entered into, or in accordance with methods that give equivalent results.

C. Quality Discounts

If the commodity loaded out by the Contractor does not meet the quality specifications of Paragraph 5.A. of this Announcement but falls within the limits listed below, the commodity may be delivered to CCC but the purchase price shall be reduced in accordance with the following schedule of discounts for each 100 pounds of commodity delivered.

DISCOUNTS

ALL PURPOSE WHEAT FLOUR

Deficient Protein Percent

8.9 or 8.8 - 10 cents  
8.7 or 8.6 - 20 cents  
8.5 - 35 cents

Excess Moisture Percent

14.1 or 14.2 - 10 cents  
14.3 or 14.4 - 20 cents  
14.5 or 14.6 - 35 cents

Deficient Falling Number Range

off 1 through 8 units - 5 cents  
off 9 through 16 units - 10 cents  
off 17 through 25 units - 20 cents

Excess Falling Number Range

off 1 through 20 units - 5 cents  
off 21 through 40 units - 10 cents  
off 41 through 60 units - 20 cents

BREAD FLOUR

Excess Moisture Percent

14.1 or 14.2 - 10 cents  
14.3 or 14.4 - 20 cents  
14.5 or 14.6 - 35 cents

Excess Falling Number Range

off 1 through 20 units - 5 cents  
off 21 through 40 units - 10 cents  
off 41 through 60 units - 20 cents

Deficient Falling Number Range

off 1 through 16 units - 5 cents  
off 17 through 33 units - 10 cents  
off 34 through 50 units - 20 cents

Deficient Protein Percent

10.9 or 10.8 - 10 cents  
10.7 or 10.6 - 20 cents  
10.5 - 35 cents

WHEAT FLOUR

ALL PURPOSE & BREAD FLOUR

Maximum Ash Allowable Without Discount At Specified Calcium Levels 1/

<u>Calcium Content Mg/Lb.</u>	<u>Maximum Ash %</u>	<u>Calcium Content Mg/Lb.</u>	<u>Maximum Ash %</u>	<u>Calcium Content Mg/Lb.</u>	<u>Maximum Ash %</u>
400-418	.65	636-653	.78	872-889	.91
419-436	.66	654-672	.79	890-907	.92
437-454	.67	673-690	.80	908-926	.93
455-472	.68	691-708	.81	927-944	.94
473-490	.69	709-726	.82	945-962	.95
491-508	.70	727-744	.83	963-980	.96
509-526	.71	745-762	.84	981-998	.97
527-545	.72	763-780	.85	999-1016	.98
546-563	.73	781-799	.86	1017-1034	.99
564-581	.74	800-817	.87	1035-1053	1.00
582-599	.75	818-835	.88	1054-1071	1.01
600-617	.76	836-853	.89	1072-1089	1.02
618-635	.77	854-871	.90	1090-1107	1.03

1/ Flour prior to calcium enrichment should be straight flour with an ash content of not to exceed 0.46% (14% moisture basis).

DISCOUNTS FOR EXCESS ASH, DEFICIENT AND EXCESS CALCIUM-  
ALL PURPOSE AND BREAD FLOUR

Excess Ash (percentage points above maximum)

.01 or .02 - 10 cents  
.03 or .04 - 20 cents  
.05 - 35 cents

Deficient Calcium

499-460 mg/lb. - 5 cents  
459-440 mg/lb. - 10 cents  
439-400 mg/lb. - 20 cents

Excess Calcium

625-1107 mg/lb - 0 cents

Subject to the provisions of Articles 60 and 68 of USDA-1 commodity which deviates from the specifications of this contract shall be rejected.

CORN  
(WHOLE GRAIN)

U.S. Grade No. 2 or better yellow corn, maximum 14.5% moisture, except U.S. Grade No. 3 on broken corn and foreign material.

Nutritive Values (per 100 g)

<u>Energy and Nutrients</u>	<u>Amounts</u>	<u>Unit</u>
Food Energy (1108 MJ)	348	Cal.
Protein	8.9	g.
Crude Fat	3.9	g.
Carbohydrate	72	g.
Calcium	22	mg.
Phosphorus	268	mg.
Iron	2.1	mg.
Sodium	1	mg.
Potassium	284	mg.
Vitamin A	490	I.U.
Thiamin (B <sub>1</sub> )	0.4	mg.
Riboflavin <sup>1</sup> (B <sub>2</sub> )	0.1	mg.
Niacin	2.2	mg.

CORN STANDARDS

GRADE	MINIMUM TEST WEIGHT PER BUSHEL	MAXIMUM LIMITS OF-			
		MOISTURE	BROKEN CORN AND FOREIGN MATERIAL <sup>1/</sup>	DAMAGED KERNELS	
				TOTAL	HEAT-DAMAGED KERNELS
	POUNDS	PERCENT	PERCENT	PERCENT	PERCENT
U.S. No. 2	54.0	15.5	3.0	5.0	0.2

<sup>1/</sup> Maximum 4.0 percent on U.S. Grade No. 3

PACKAGING (PER 50 KG)

Woven Polypropylene or  
Polyethylene  
(Use No Hooks)

Fabric contains an inhibitor to  
resist ultra-violet absorption  
along with anti-skid coating.

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Thursday  
May 24, 1984

REGULATION 10

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Part III

**International  
Development  
Cooperation Agency**

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Agency for International Development

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22 CFR Part 210

Donation of Dairy Products To Assist  
Needy Persons Overseas (416 Program);  
Interim Rule of Requirements

**INTERNATIONAL DEVELOPMENT  
COOPERATION AGENCY**

Agency for International Development

22 CFR Part 210

A.I.D. Reg. 101

**Donation of Dairy Products To Assist  
Needy Persons Overseas (416  
Program); Interim Rule of  
Requirements**

**AGENCY:** Agency for International  
Development, IDCA.

**ACTION:** Interim rule.

**SUMMARY:** This interim rule sets forth procedures for the dairy products overseas donation program to be administered by the Agency for International Development (AID), as agent for the Commodity Credit Corporation (CCC), under the authority of Section 416 of the Agricultural Act of 1949, as amended (Section 416). This program is now being conducted by CCC, an agency within the United States Department of Agriculture (USDA), pursuant to the regulations at 7 CFR Part 1497. Upon publication of this Interim Rule, those regulations will be terminated by CCC. The foreign donation of dairy products will assist needy persons overseas and reduce surplus stocks of dairy products in CCC inventory.

**DATES:** Effective Date: Interim rule effective May 24, 1984.

Comments on these Interim rules must be received on or before July 23, 1984.

**ADDRESS:** Comments should be submitted to: Ms. Jessie C. Vogler, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance, Agency for International Development, Washington, D.C. 20523. Telephone: (703) 235-9193.

**FOR FURTHER INFORMATION CONTACT:** Ms. Peggy A. Sheehan, Chief, Food Donations Division, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance, Agency for International Development, Washington, D.C. 20523. Telephone: (703) 235-9173.

**SUPPLEMENTARY INFORMATION:** This notice has been reviewed under A.I.D.'s required procedures. It has been determined that these program provisions will not result in any significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

It has been determined that the Regulatory Flexibility Act is not applicable to this notice since A.I.D. is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this notice.

Section 416 of the Agricultural Act of 1949 (Section 416) authorizes the donation of surplus dairy products, acquired through the Commodity Credit Corporation (CCC) price support operation, for food assistance overseas. CCC may pay, with respect to the commodities donated, certain costs including reprocessing, packaging, transporting, handling, and costs of overseas delivery. Section 416 provides that the foreign donation of commodities thereunder shall be in addition to assistance provided under the Agricultural Trade Development and Assistance Act of 1954, as amended (Pub. L. 480).

Regulations were issued by CCC on December 2, 1982 (47 FR 54285, 7 CFR Part 1497) setting forth procedures for the donation by CCC pursuant to Section 416 of dairy products to assist needy people overseas. As this program was being implemented, it was realized that the various responsibilities involved in its operation could best be met by the sharing of functions between the USDA and AID, which agency has for many years been handling foreign donation under Pub. L. 480 and other legislation. Accordingly, on August 9, 1983, a Memorandum of Understanding was entered into by CCC and AID which provided for the designation of AID as agent for CCC in performing certain services for CCC in connection with making dairy products available to needy people overseas under the authority of Section 416. The Memorandum sets forth the various responsibilities to be shared between AID and CCC. Under this rule, the Section 416 Foreign Donation Program Agreements with the cooperating sponsors will be signed by both AID and CCC.

This rule is being issued pursuant to the Memorandum of Understanding between CCC and AID which was entered into prior to the recent amendments to Section 416 made by the Agricultural Program Adjustment Act of 1984 (Pub. L. 98-258, approved April 10, 1984). In view of these amendments, changes in the Memorandum and the AID regulations are presently under study.

Regulation 10, which has been concurred in by CCC, sets forth general guidelines and procedures applicable to overseas donations of dairy products under Section 416. It is intended that

specific details regarding the donation of dairy products, such as commodity types, processing and transportation requirements, delivery schedule, recipients and apportionment of costs and responsibilities related to the donation, will be arranged with cooperating sponsors following submission of a program proposal by such sponsors. Cooperating sponsors, as defined in the regulations, are encouraged to contact the Chief, Title II Food Donation Division, Office of Food for Peace, (FVA/FFP/II), Agency for International Development for information and assistance in preparing proposals and thereby expedite consideration of the proposals. Telephone: (AC 703) 235-9173.

The Director, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance (FVA/D/FF), or his/her designee and the General Sales Manager, U.S.D.A., and Vice President, CCC, or his/her designee will be responsible for approving program agreement/proposals.

It has been determined that the provisions of 5 U.S.C. 553 do not apply to this rule since the subject matter of the rule involves foreign affairs functions of the United States and a matter relating to grants. Accordingly, the regulation will be made effective upon publication in the Federal Register. Nevertheless, comments are requested within 60 days after publication and the interim rule will be scheduled for review in order that a final document discussing any comments received and any desirable amendments may be published in the Federal Register.

**List of Subjects in 22 CFR Part 210**

Dairy products, Exports, Foreign aid.

22 CFR Ch. II is amended by establishing a new Part 210 as A.I.D. Regulation 10 to read as follows:

**PART 210—DONATION OF DAIRY  
PRODUCTS TO ASSIST NEEDY  
PERSONS OVERSEAS (SECTION 416  
FOREIGN DONATION PROGRAM)**

**Sec.**

- 210.1 General purpose and scope.
- 210.2 Definitions.
- 210.3 Eligibility requirements for nonprofit private humanitarian organizations.
- 210.4 Cooperating sponsor agreements.
- 210.5 Availability of commodities.
- 210.6 Obligations of cooperating sponsor.
- 210.7 Processing, repackaging and labeling of commodities.
- 210.8 Arrangements for entry and handling in foreign country.
- 210.9 Disposition of commodities unfit for authorized use.

- Sec.  
 210.10 Liability for loss and damage or improper distribution of commodity—claims and procedures  
 210.11 Records and reporting requirements of cooperating sponsor  
 210.12 Additional responsibilities of cooperating sponsor  
 210.13 Termination of program.  
 210.14 Waiver and amendment authority.  
 210.15 OMB control number assigned pursuant to the Paperwork Reduction Act.

Appendix I—Dairy Product Foreign Donation Program Proposed Plan of Operation (Section 416).

Appendix II—Dairy Product Donation Agreement (Section 416).

Authority: Sec. 416 of the Agricultural Act of 1949, as amended, 7 U.S.C. 1431 (Section 416 Foreign Donation Program).

§ 210.1 General purpose and scope.

(a) *Terms and conditions.* This Part 210 contains the regulations prescribing the terms and conditions governing the donation of dairy products for use outside the United States through foreign governments and public and nonprofit private humanitarian organizations such as U.S. nonprofit voluntary agencies or intergovernmental organizations (the World Food Program and United Nations Relief and Works Agency shall not be subject to these regulations except as may be specifically provided herein) pursuant to Section 416 of the Agricultural Act of 1949, as amended (Section 416).

(b) *Legislation.* The legislation implemented by the regulation (Section 416) provides that dairy products acquired by Commodity Credit Corporation (CCC) may be "donated through foreign governments and public and nonprofit private humanitarian organizations for assistance of needy persons outside the United States, and the Commodity Credit Corporation may pay, with respect to commodities so donated, reprocessing, packaging, transporting, handling, and other charges, including the cost of overseas delivery."

(c) These regulations are promulgated pursuant to the designation by CCC of the Agency for International Development (A.I.D.) as its agent to carry out certain responsibilities pertaining to the administration of the program to donate CCC dairy products outside the U.S. under the authority of Section 416.

§ 210.2 Definitions.

"A.I.D." means the Agency for International Development or any successor agency, including, when applicable, each USAID. "USAID" means an office of A.I.D. located in a foreign country. "AID/W" means the

office of A.I.D. located in Washington, D.C.

"CCC" means the Commodity Credit Corporation, a corporate agency and instrumentality of the United States within the U.S. Department of Agriculture.

"Cooperating Sponsor" means a foreign government, or a public or nonprofit private humanitarian organization, including the American Red Cross, and humanitarian intergovernmental organizations that enters into an agreement with the U.S. Government for the use of Section 416 Foreign Donation Program commodities, and which is directly responsible under the agreement for administration and implementation of and reporting on the use of the commodities made available for the program. The Cooperating Sponsor, except a foreign government and intergovernmental organizations, must be organized under the laws of the U.S. and maintain an office in the U.S.

"Diplomatic Posts" means the offices of the Department of State located in foreign countries, and may include Embassies, Legations, and Consular offices.

"Duty Free" means exempt from all customs duties, tolls, taxes or governmental impositions levied on the act of importation.

"Humanitarian" means an organization that is carrying out or intends to carry out activities designed to provide assistance to needy people.

"Non-profit" means that the residue of income over operating expenses accruing in any activity, project, or program is used solely for the operation of such activity, project or program.

"Private" means a non-governmental organization that receives private funding.

"Recipients" means persons who are in need of food assistance because of their economic condition.

"USDA" means the U.S. Department of Agriculture.

§ 210.3 Eligibility requirements for nonprofit private humanitarian organizations.

(a) All private and voluntary organizations registered with the Agency for International Development under A.I.D. Regulation 3, 22 CFR Part 203, are eligible to participate in the Section 416 Foreign Donation Program.

(b) All organizations that have received dairy products for overseas distribution outside the U.S. from the Commodity Credit Corporation under the authority of Section 416 prior to the issuance of these regulations are eligible to continue to participate in the Section 416 Foreign Donation Program.

(c) Organizations not eligible under (a) or (b) above may apply for registration by contacting the Registration Officer, Office of Private and Voluntary Cooperation (FVA/PVC), Bureau for Food for Peace and Voluntary Assistance, Agency for International Development (A.I.D.), Washington, D.C. 20523.

(d) In exceptional circumstances, one or more Conditions of Registration (AID Regulation 3, 22 CFR Part 203) may be waived by the Assistant Administrator, Bureau for Food for Peace and Voluntary Assistance (FVA), of A.I.D., on the recommendation of the Office of Food for Peace following the registration review by the Office of Private and Voluntary Cooperation (FVA/PVC).

(e) Certain categories of organizations engaged exclusively in religious activities, and private foundations, which do not meet Condition No. 1 of A.I.D. Regulation 3 will not be registered but may, in exceptional circumstances, become participants in the Section 416 program. The Office of Food for Peace will conduct a review of such applications, and forward recommendations to the Assistant Administrator of the Bureau for Food for Peace and Voluntary Assistance (FVA) for a decision regarding participation.

(f) Organizations approved for participation in the Section 416 Foreign Donation Program or foreign governments must submit to A.I.D. a program plan of operation. For details see Appendix I—Sample Format of a Dairy Product Foreign Donation Proposed Plan of Operation (Section 416).

§ 210.4 Cooperating Sponsor agreements.

(a) The Cooperating Sponsor shall enter into a written agreement with A.I.D. and CCC by signing a Section 416 Foreign Donation Program Agreement which shall incorporate by reference the terms and conditions set forth in this part.

(b) Appendix II of this Regulation is a Sample Format of the Section 416 Foreign Donation Program Agreement.

§ 210.5 Availability of commodities.

(a) Commodities shall be available for distribution and use in accordance with the provisions of the Section 416 Foreign Donation Program Agreement and this part. Unless provided otherwise in the Section 416 Foreign Donation Program Agreement, the quality of dairy products donated by the CCC and the packaging description will be in accordance with dairy product specifications determined by CCC and such specifications shall be

made a part of the Section 416 Foreign Donation Program Agreement.

(b) Unless the Section 416 Foreign Donation Program Agreement provides otherwise, title to the dairy products shall pass to the Cooperating Sponsor at the time and place of delivery, i.e., vessel at the U.S. ports.

(c)(1) The Commodity Credit Corporation (CCC) will pay reprocessing, packaging, transporting, handling, and other charges incurred in making commodities available to Cooperating Sponsors, as agreed upon in the Section 416 Foreign Donation Program Agreement.

(2) All costs and expenses incurred subsequent to the transfer of title to Cooperating Sponsors shall be borne by them except that CCC may pay or make reimbursement for transportation costs from U.S. ports to designated ports or points of entry abroad when specifically provided in the Section 416 Foreign Donation Program Agreement or upon the determination by CCC that it is in the best interest of the program to do so.

(d) Shipment of commodities and the payment of ocean freight shall be made in accordance with the following procedures:

(1)(i) When the Cooperating Sponsor agrees to pay ocean transportation costs and perform freight forwarding and booking functions, the Kansas City Commodity Office (KCCO) USDA will furnish the Cooperating Sponsor with a Notice of Commodity Availability (CCC-512) which will name the receiving country, quantity, and date at U.S. port. The Cooperating Sponsor will arrange ocean transportation and freight forwarding in compliance with the Cargo Preference Act of 1954, Public Law 864 which requires that at least 50 percent of the cargo tonnage under this agreement be carried on U.S.-flag vessels. Non-Vessel Operating Common Carriers (NVOCC) may not be employed to carry U.S.-flag shipments. Approval of ocean transportation arrangements shall be obtained from ASCS/KCCO/USDA, P.O. Box 205, Kansas City, Mo. 64141. Telephone: (913) 238-3057.

(ii) The Cooperating Sponsor will also complete the CCC-512 indicating name of steamship company, vessel name, vessel flag and estimated time of arrival at U.S. port, sign and return the completed form to KCCO/USDA, with a copy to P.L. 480 Operations Division, Foreign Agricultural Service, USDA. KCCO/USDA will then issue instructions to have the commodity shipped free alongside vessel to U.S. port for consignment to the Cooperating Sponsor as specified in the CCC-512. Unless provided for otherwise in Section 3 of the Section 416 Foreign Donation

Program Agreement, U.S. ports will be selected on the basis of the lowest cost to CCC except where mutually agreeable to both the Cooperating Sponsor and KCCO/USDA.

(2)(i) When CCC agrees to pay ocean transportation costs and the Cooperating Sponsor agrees to perform freight forwarding and booking functions, the KCCO/USDA will furnish the Cooperating Sponsor with a Notice of Commodity Availability (CCC-512) which will name the receiving country, quantity and date at U.S. port. The Cooperating Sponsor will arrange ocean transportation and freight forwarding in compliance with the Cargo Preference Act of 1954, which requires that at least 50 percent of the cargo tonnage under this agreement be carried on U.S.-flag vessels. Non-Vessel Operating Common Carriers (NVOCC) may not be employed to carry U.S.-flag shipments. Approval of ocean transportation arrangements shall be obtained from ASCS/KCCO/USDA, P.O. Box 205, K.C., Mo. 64141. Telephone: (913) 238-3057.

(ii) The Cooperating Sponsor will also complete the CCC-512 indicating ocean freight rate as stated in the Federal Maritime Commission (FMC) tariff (with tariff identification), name of steamship company, name of vessel, flag of vessel, and estimated time of arrival at U.S. port, sign, and return the completed form to KCCO/USDA, with a copy to P.L. 480 Operations Division, Foreign Agricultural Service, USDA. KCCO/USDA will then issue instructions to have the commodity shipped free alongside vessel to U.S. port for consignment to the Cooperating Sponsor as specified in the CCC-512. Unless provided for otherwise in Section 3 of the Section 416 Foreign Donation Program Agreement, U.S. ports will be selected on the basis of lowest landed cost to CCC, except where mutually agreeable to the Cooperating Sponsor and KCCO/USDA.

(iii) CCC will pay the Cooperating Sponsor or the ocean carrier, as may be agreed upon, for ocean transportation costs within 30 days of receipt of the following documentation: (A) one copy of completed CCC-512 (as indicated above); (B) three copies of freighted "on board" bill of lading signed by originating carrier; (C) two copies of booking note and/or contract covering ocean transportation of subject cargo; (D) request for payment, indicating amount due and certification that payment has been made to ocean carrier or request for direct payment to ocean carrier.

(3) When CCC agrees to pay ocean transportation costs and to perform freight forwarding and booking

functions, CCC will arrange to ship at least 50 percent of the cargo on U.S. flag vessels in accordance with the Cargo Preference Act of 1954.

#### § 210.6 Obligations of the cooperating sponsor.

(a) *Plan of Operation.* Each cooperating sponsor shall submit to the AID or Diplomatic Post a description of the programs it is sponsoring or proposes to sponsor. This description will, when approved, provide the basic information for preparation of the Section 416 Foreign Donation Program Agreements and will be incorporated into such an agreement by reference. Within the overall objectives of the approved program, elements of the program may be changed by written agreement of authorized representatives of the Cooperating Sponsor, AID, and CCC. In case of conflict between the Agreement and the approved plan of operation, the Agreement shall prevail. The plan of operation should clearly specify how a given Section 416 Foreign Donation Program is to be conducted. In addition to any other requirements of law or regulation, the plan will include the following information:

(1) A description of program goals and criteria for measuring progress toward reaching the goals.

(2) A geographic, economic, medical or other appropriate description of the recipient target group that is sufficient to readily determine recipient eligibility to receive Section 416 commodities and to assure that commodities provided under Section 416 will not displace or substitute for commercial sales in the recipient country.

(3) Statements as to what public recognition and container markings will be employed in the distribution of the commodities.

(4) A logistics plan that demonstrates the adequacy of port facilities, transportation facilities and storage/warehousing facilities to handle the flow of commodities to recipients without undue risk of spoilage or waste.

(5) Sufficient information concerning the plan of distribution and the target group of recipients so that a determination can be made as to whether the proposed food distribution would result in a substantial disincentive to domestic food production.

(6) Statements detailing the support of the Host Government of the country accruing the commodity or any other support for the proposed program.

(7) Kind and quantity of dairy products requested and delivery schedule.

(8) Explanation of the methods of educating recipients on the source of dairy products, program requirements, and preparation and use of dairy products, particularly steps to be taken to assure that there will be no unintended harmful effects from the distribution of the dairy products. Therefore, examples of educational materials for the field or guidelines should be presented which include food handling precautions to prevent contamination and spoilage such as refrigeration of cheese and butter products, immediate preparation of foods before eating, discarding of leftovers if no refrigeration is available, and information about proper use and preparation of NFDM in its dry and reconstituted form. Specifically in child feeding programs where NFDM is distributed in bulk directly to families, projects at a minimum should include education on (i) promotion of exclusive breastfeeding for 4-6 months and continuation of breastfeeding after solid foods are introduced, (ii) use of NFDM as a protein supplement, (iii) the importance of combining NFDM with energy rich foods, re oil, fats, porridges, stews, etc., and (iv) precautions to be taken to prevent contamination of foods prepared with NFDM, and (v) precautions to be taken when NFDM is reconstituted as a milk drink, when there is evidence that it may be used this way.

(9) Description of the method to be used to supervise and monitor the distribution of the dairy products to assure that they are distributed to the intended needy recipients.

(10) Provide information to show approval of foreign government to import the donated dairy products duty free.

(b) *Other Requirements.*

(1) The terms and conditions of the Section 418 Foreign Donation Program Agreement and of this part, except as otherwise specifically provided, are deemed to be accepted by the Cooperating Sponsor in submitting the program plan of operation.

(2) The Cooperating Sponsor agrees to use the dairy products only in accordance with the Section 418 Foreign Donation Program Agreement, and this regulation.

(3) The donation of the dairy products by CCC and the payment by CCC of any costs specified in Section 3 of the Section 418 Foreign Donation Program Agreement is made with the understanding that the Cooperating Sponsor will carry out its obligations as provided in the Agreement and this part. The Cooperating Sponsor shall be liable to CCC for any failure to export the

dairy products from the U.S., the reentry of any of the dairy products into the United States, or any use of the dairy products which is inconsistent with the Section 418 Foreign Donation Program Agreement. For any such failure, the Cooperating Sponsor shall reimburse CCC for all costs paid by CCC in making the dairy products available to the Cooperating Sponsor, including the acquisition cost to CCC at the time CCC acquired the dairy products under its dairy price support program. However, the Cooperating Sponsor shall not be liable to CCC with respect to any dairy products which, before or after export from the United States, are lost or damaged, destroyed or deteriorated to the extent that the dairy products cannot be used for the purposes described in the Section 418 Foreign Donation Program Agreement unless such loss or damage was due to the fault or negligence of the Cooperating Sponsor.

(4) Cooperating Sponsors shall distribute dairy products only to eligible recipients. Distribution shall be made without regard to nationality, race, color, sex, or religious or political beliefs of recipients.

(5) Funds derived from voluntary contributions by recipients may be used for payment of program costs by Cooperating Sponsors. Contributions may not be required by a Cooperating Sponsor from a recipient as a condition for participation in a program. Funds accruing from contributions shall be used for payment of program costs such as transportation, storage, handling, insect and rodent control, rebagging of damaged or infested commodities and other program expenses specifically authorized by AID to carry out the program for which the commodities were furnished.

(6) Overseas donations of dairy products under Section 418 are intended as food aid. Dairy products may not be donated under circumstances resulting in more than incidental commercial sales of the products after they have been donated, nor may the commodities be sold in order to generate funds for any purpose.

(7) In the case of foreign government Cooperating Sponsors, data showing commercial and non-commercial imports of dairy products for the past five years by country of origin shall be provided. A Section 418 Foreign Donation Program Agreement with a foreign government may include a usual marketing requirement.

(8) In the case of landlocked countries, transportation in the intermediate country to a designated inland point of entry in the recipient country shall be

arranged by the Cooperating Sponsor unless otherwise provided in the Section 418 Foreign Donation Program Agreement.

(9) If a Cooperating Sponsor books cargo for ocean transportation and is unable to have a vessel at U.S. port of export for loading in accordance with the agreed shipping schedule and CCC thereby incurs additional expenses, the Cooperating Sponsor shall reimburse CCC for such expenses if CCC determines that the expenses were incurred as a result of the fault or negligence of the Cooperating Sponsor.

§ 210.7 *Processing and repackaging and labeling of commodities.*

(a) Cooperating Sponsors may arrange for processing dairy products into different end products and for packaging or repackaging dairy products prior to distribution. When commercial facilities are used for processing, packaging or repackaging, Cooperating Sponsors shall enter into written agreements for such services. Copies of the executed agreements shall be provided to the USAID or Diplomatic Post in the country of distribution. No part of the commodities delivered to the processing, packaging, or repackaging company shall be used to defray costs of processing packaging or repackaging.

(b) If prior to distribution the Cooperating Sponsor arranges for packaging or repackaging donated dairy products, the cartons, sacks, or other containers in which the dairy products are packed shall be plainly labeled in the language of the country in which the commodities are to be distributed with the following information:

(1) Name of Commodity.

(2) Furnished by the people of the United States of America.

(3) Not to be sold or exchanged. Emblems or other identification of cooperating sponsors may also be added.

§ 210.8 *Arrangements for entry and handling in foreign country.*

(a) Dairy products shall be admitted duty free and exempt from all taxes.

(b) Cooperating Sponsors shall make all necessary arrangements for receiving the dairy products and assume full responsibility for storage and maintenance of dairy products from time of delivery at port or point of entry abroad. The Cooperation Sponsor shall be responsible for the maintenance of commodities in such manner as to assure distribution of the dairy products in good condition to needy recipients.

(c) If the packages of dairy products are damaged prior to or during

discharge, and therefore, must be repackaged to ensure that the dairy products arrive at the distribution point in wholesome condition. CCC will only reimburse Cooperating Sponsors who are private nonprofit organizations for approved expenses incurred for such repackaging. No prior approval is required for costs equalling \$500 or less.

**§ 210.9 Disposition of commodities unfit for authorized use.**

Damaged commodities are to be disposed of in accordance with AID Regulation 11, § 211.8 (22 CFR Part 211). Such a disposition should be reported to the Chief, Claims and Collections Division, KCMO, P.O. Box 205, Kansas City, Missouri 64141.

**§ 210.10 Liability for loss and damage or improper distribution of commodity—claims and procedures.**

(a) Notwithstanding the transfer of title to the Cooperating Sponsor *i.e.* vessel, CCC shall have the right to file, pursue and retain the proceeds of collections from claims arising from ocean transportation cargo loss and damage, including loss and damage occurring between the time of transfer of title and loading aboard a vessel. CCC assumes general average contributions in all valid general average incidents which may arise from the movement of commodity to the destination port. CCC shall receive and retain all allowances in general average. The Cooperating Sponsor shall promptly notify CCC of any situation involving the loss, damage, or deterioration of the dairy product, and of any declaration of general average. Instructions shall be issued by and all loss documents should be forwarded to: Chief, Claims and Collections Division, Kansas City Management Office, P.O. Box 205, Kansas City, Missouri 64141. These instructions *must* be followed by the Cooperating Sponsor. The Cooperating Sponsor shall promptly furnish such office any assignment or rights which may be requested. Where the Cooperating Sponsor pays the ocean freight or a portion thereof, it shall be entitled to pro rata reimbursement received from only claims related to ocean freight charged.

(b) The Cooperating Sponsor shall promptly provide written notice to AID or the Diplomatic Post, of the circumstances pertaining to any loss, damage, or misuse of commodities occurring within the recipient country or intermediate country. Proceeds from any resultant claims actions shall be forwarded to AID for the account of CCC.

(c) Unless the instructions issued by CCC referred to in paragraph (a) of this section provide otherwise for certain designated Cooperating Sponsors, CCC, Claims and Collections Division, will arrange for the services of an independent cargo surveyor to survey the discharge of Section 416 commodities at the foreign discharge port.

(d) Cooperating Sponsors shall send copies of all reports and documents pertaining to the discharge of commodities to Chief, Claims and Collections Division, Kansas City Management Office, P.O. Box 205, Kansas City, Missouri 64141.

(e) CCC will reimburse Cooperating Sponsors for the costs incurred by them in obtaining the services of an independent surveyor to conduct examinations of the cargo and render their report.

(f) The handling of claims prior to loading of the dairy products on ocean vessels and claims against ocean carriers shall be handled according to procedures established by CCC. Claims arising after discharge shall be handled according to procedures established by AID for handling inland Pub. L. 480, Title II claims (AID Regulation 11, 22 CFR Part 211.9).

(g) When payment is made for commodities misused, lost or damaged, the value shall be determined on the basis of the General Agreement on Tariffs and Trade (GATT) minimum prices for dairy products in question, plus ocean freight charges and other costs incurred by the Government of the United States in making delivery to the Cooperating Sponsor. When the value is determined on a cost basis, the Cooperating Sponsor may add to the value any provable costs they have incurred prior to delivery by the ocean carrier. In preparing the claim statement, these costs shall be clearly segregated from costs incurred by the Government of the United States. With respect to claims other than ocean carrier loss and/or damage claims, the value of misused, lost or damaged commodities may be determined on some other justifiable basis, at the request of the Cooperating Sponsor and/or upon the approval of the USAID or Diplomatic Post, AID/W.

**§ 210.11 Records and reporting requirements of cooperating sponsor.**

(a) The Cooperating Sponsor shall maintain records and documents for a period of three years from the date of export of the dairy products in a manner which will accurately reflect all transactions pertaining to the receipt,

transportation, storage and distribution of the dairy products.

(b) The Cooperating sponsor shall cooperate with and give reasonable assistance to United States Government representatives to enable them at any reasonable time to examine any activities and transactions of the Cooperating Sponsor pertaining to the receipt processing, repackaging, distribution and use of the dairy products under this program.

(c) The Cooperating Sponsor shall submit a report semi-annually covering the receipt and distribution of dairy products made available by CCC under the Section 416 Foreign Donation Program Agreement. The first report should cover the first full six months following the date of the Section 416 Foreign Donation Program Agreement and reports thereafter should cover each subsequent six month period. A report is not required if dairy products are not received or distributed during any six month reporting period. This report must contain the following data:

- (1) Receipts of each type of commodity.
- (2) Quantity of each type of commodity distributed.
- (3) Inventory of each type of commodity at the end of the reporting period.
- (4) Numbers of recipients.
- (5) Beginning inventory of each type of commodity.
- (6) Quantity of each type of commodity on order or in transit.
- (7) Status of claims for commodity losses both resolved and unresolved.
- (8) Quantities of each type of commodity damaged or declared unfit.

**§ 210.12 Additional responsibilities of cooperating sponsor.**

(a) The Cooperating Sponsor shall, within thirty (30) days after export, furnish evidence of export of the dairy products. If export is by water or air, two copies of the onboard carrier bill of lading or consignee's receipt authenticated by a representative of the U.S. Customs Service shall be furnished. The evidence of export must show the kind and quantity of dairy products exported, the date of export and the destination country.

(b) The Cooperating Sponsor warrants that it has not employed any person to solicit or secure the Section 416 Foreign Donation Program Agreement upon any agreement for a commission, percentage, brokerage, or contingent fee and that no consideration or payment has been made or will be made. Breach of this warranty shall give the United States Government the right to annul the

### Section 416 Foreign Donation Program Agreement

#### § 210.13 Termination of program.

All or any part of the assistance provided under the Section 416 Foreign Donation Program, including commodities in transit, may be terminated by the United States Government at its discretion if the Cooperating Sponsor fails to comply with the provisions of the Section 416 Foreign Donation Program Agreement or this part, or if it is determined by A.I.D. that the continuation of such assistance is no longer necessary.

#### § 210.14 Waiver and amendment authority.

(a) A.I.D., with the concurrence of CCC, may waive, withdraw, or amend, at any time, any or all of the provisions of this part if such provision is not statutory and it is determined to be in the best interest of the U.S. Government to do so.

(b) The Section 416 Foreign Donation Program Agreement may be amended upon written agreement by A.I.D., CCC, and the Cooperating Sponsor.

#### § 210.15 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection requirements in Part 210 have been approved by the Office of Management and Budget under control number 0412-0517.

#### Appendix I—Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

*Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C.*

#### Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

Public and private nonprofit humanitarian organizations (applicant) must submit to the Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C. 20523, a program plan giving the following information:

1. Name and address of applicant. The applicant must be organized under the laws of the United States and must maintain an office in the United States.
2. Country in which the dairy products will be used to assist needy people. (Submit a separate proposal for each country.)
3. Kind of dairy products requested. (The quality specifications and packing description of the dairy products will be the specifications and packing description shown in Attachment B, unless Commodity Credit Corporation (CCC) and the applicant agree to the reprocessing or repackaging of the dairy products.)
4. Quantity of dairy products requested stated in pounds. The quantity requested shall be limited to the amount to be shipped

from the U.S. during a twelve month period beginning with the first proposed shipment.

5. Delivery schedule. (Show amount of dairy products for each delivery period, i.e. January—40,000 pounds; March—40,000 pounds, etc.)

6. Intended use of the dairy products: a. Describe each program (i.e., maternal child health, school feeding, other child feeding, etc.), the problem that the program addresses, and the program's proposed response to this problem.

b. Describe overall objectives and purpose of each program.

c. Will the program be countrywide or limited to certain provinces, states, cities, or other administrative or geographical areas?

d. Describe the distribution method to be used to make the dairy products available to needy recipients.

7. Describe participation in the program by any other organization or government agency of the foreign country.

8. Explain arrangements to be used to assure that the dairy products donated under Section 416 will (a) be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (Title II of Pub. L. 480), and (b) not displace dairy products normally purchased on the commercial market for use by the proposed recipients.

9. Describe records to be used to control distribution of the dairy products to provide accountability from the time title is transferred to the applicant until it reaches the eligible recipient.

10. Describe the port facilities in the country through which the dairy products will be received. Describe in such detail to show that adequate facilities are available to handle the dairy product.

11. Describe the transportation and storage system which will be used to move the dairy products from the receiving port to the point distribution is made to the recipient. State if applicant will retain control of dairy products during transportation and storage. If not, describe controls to assure delivery of the dairy products from time of unloading at port to the distribution point where products will be made available to the recipients.

12. Describe any reprocessing or repacking that will occur in the country, giving location and name of firm that will perform the reprocessing or packing.

13. Explain how costs of administration, storage, transportation, processing, repackaging, special labels, issuance of informative materials, etc. will be financed.

14. Explain methods of educating recipients on the source of the dairy products, program requirements, and preparation and use of the dairy products. Include plans for program publicity, including factors that may adversely affect publicity. Therefore, examples of educational materials for the field or guidelines should be presented which include food handling precautions to prevent contamination and spoilage such as refrigeration of cheese and butter products, immediate preparation of foods before eating, discarding of leftovers if no refrigeration is available, and information about proper use and preparation of NFDM in its dry and reconstituted forms. Specifically in child

feeding programs where NFDM is distributed in bulk directly to families, projects at a minimum should include education on (a) promotion of exclusive breastfeeding for 4-6 months and continuation of breastfeeding after solid foods are introduced, (b) use of NFDM as a protein supplement, (c) the importance of combining NFDM with energy rich foods, i.e. oil, fats, porridges, stews, etc., and (d) precautions to be taken to prevent contamination of foods prepared with NFDM and (e) precautions to be taken when NFDM is reconstituted as a milk drink, when there is evidence that it may be used this way.

15. Describe other contributions such as financial, human resources, other food commodities, etc., including the source, estimates of the amount and role the contributions will play in the program.

16. Describe method to be used to supervise and monitor distribution of the dairy products to assure that the intended use of dairy products is accomplished.

17. Provide information to show that the applicant has received approval from the government in the country to import the donated dairy products free from all custom duties, tolls, taxes, etc.

#### Appendix II—Dairy Product Foreign Donation Program Agreement (Section 416)

##### Country \_\_\_\_\_

#### United States Government—Dairy Product Foreign Donation Program Agreement (Section 416)

In order to effect the distribution of dairy products for the assistance of needy persons outside the United States, the Agency for International Development (A.I.D.), the Commodity Credit Corporation (CCC), and the (Cooperating Sponsor) agree as follows:

1. CCC agrees to donate to the Cooperating Sponsor dairy products of the kind and amounts specified in Section 2 of this agreement pursuant to the authority of Section 416 of the Agricultural Act of 1949, as amended. CCC shall deliver such dairy products in accordance with the delivery schedule specified in Section 2.

2. Dairy products to be donated to the Cooperating Sponsor are as follows:

Commodity	Quantity pounds/metric tons	Delivery month to U.S. port <sup>1</sup>	Foreign port designation

<sup>1</sup> Port where CCC transfers if other than U.S. port.

Note.—Should the above schedule change, the Cooperating Sponsor will promptly inform and coordinate a revised delivery schedule by contacting the Agricultural Stabilization and Conservation Service, Kansas City Commodity Office, USDA, P.O. Box 205, Kansas City, Missouri, 64141. Telephone: (913) 238-3057.

3. The payments of all costs associated with the reprocessing, packaging, transporting, handling and other charges incurred in the distribution of the dairy products will be apportioned as follows:

A. CCC agrees to donate the dairy products without charge and to pay the following

costs: (These costs will be determined during the negotiation of program approval.)

B. The Cooperating Sponsor agrees to pay the following costs: (These costs are determined during the negotiation of program approval.)

4. The Cooperating Sponsor agrees to use the dairy products only in accordance with this Agreement and the approved program.

5. The term and conditions set forth in AID Regulation 10 and the approved Plan of Operation are incorporated into and made a part of this agreement.

Agency for International Development  
By \_\_\_\_\_

Title: Assistant Administrator, Bureau of Food for Peace and Voluntary Assistance and/or as delegated.  
Date: \_\_\_\_\_

Commodity Credit Corporation  
By \_\_\_\_\_

Title: General Sales Manager, FAS and Vice President, Commodity Credit Corporation and/or as delegated  
Date: \_\_\_\_\_

**Request and Acceptance**  
The assistance described in this agreement is requested and the terms and conditions of this Agreement and of AID Regulation 10, except as otherwise specifically provided herein, are accepted.

**Cooperating Sponsor**  
By \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Dated: April 17, 1984.

M. Peter McPherson,  
Administrator.  
[FR Doc. 84-14008 Filed 5-23-84; 8:45 am]  
BILLING CODE 6116-01-0

64

The section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each year.

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## DEPARTMENT OF AGRICULTURE

### Commodity Credit Corporation

#### 7 CFR Part 1497

#### Donation of Dairy Products Overseas

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

**SUMMARY:** This rule will remove the interim rule (47 FR 54285, 7 CFR Part 1497) published by Commodity Credit Corporation (CCC) on December 2, 1982, setting forth the procedures for the donation of dairy products to assist needy persons overseas. Under an agreement with CCC, AID as agent for CCC will perform certain services for CCC in connection with the donation of dairy products overseas. AID's regulation, which replaces CCC's regulation on this subject, appears in this Federal Register in Part III of this issue.

**EFFECTIVE DATE:** May 24, 1984.

**FOR FURTHER INFORMATION CONTACT:** Mary T. Chambliss, Director, Program Analysis Division, Export Credits, Foreign Agriculture Service, U.S. Department of Agriculture, Washington, D.C. 20250, Telephone: (202) 447-3573.

**SUPPLEMENTARY INFORMATION:** On December 2, 1982, CCC published an Interim Rule (47 FR 54285, 7 CFR Part 1497) setting forth procedures for the donation of dairy products to assist needy persons overseas under the authority of Section 416 of the Agricultural Act of 1948, as amended (Section 416). On August 9, 1983, a Memorandum of Understanding was entered into between CCC and the Agency for International Development (AID) which provided for the designation of AID as the agent for CCC in performing certain services for CCC

in connection with making dairy products available to needy people overseas under the authority of Section 416. Pursuant to the Memorandum of Understanding, AID has published an Interim Rule which appears in Part III of this Federal Register, setting forth detailed procedures relating to the implementation of the Section 416 foreign donation program. This AID regulation, concurred in by CCC, will now govern the Section 416 foreign donation program. Accordingly, CCC is hereby removing 7 CFR Part 1497.

This rule has been reviewed under USDA procedures required by Executive Order 12291 and Departmental Regulation 1512-1 and has been classified as "not major." It has been determined that this rule will not result in: (1) An annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State or local governments, or geographical regions, or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

It has been determined that the Regulatory Flexibility Act is not applicable to this notice, since CCC is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

Since the Section 416 foreign donation program will now be implemented pursuant to the AID regulations, 7 CFR Part 1497 no longer serves any functional purpose and is unnecessary. Therefore, CCC finds upon good cause that compliance with the public comment and delayed effectiveness provisions of 5 U.S.C. 553 is unnecessary, impracticable and contrary to the public interest.

#### List of Subjects in 7 CFR Part 1497

Dairy products, Exports, Foreign aid.

Accordingly, Title 7 of the Code of Federal Regulations is amended as follows:

#### PART 1497—(REMOVED)

1. Part 1497 is removed.

Authority: Sec. 416 of the Agricultural Act of 1948, as amended (7 U.S.C. 1431).

Signed at Washington, D.C. on May 8, 1984.

Richard A. Smith,

Administrator, Foreign Agricultural Service  
and Vice President of the Commodity Credit Corporation.

(FR Doc. 84-14828 Filed 5-23-84; 8:46 am)

BILLING CODE 3410-05-01

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

(Doclet No. 84-148-33-AD; Amdt. 39-4872)

#### Airworthiness Directives; Boeing Model 737 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) which requires inspection of the auxiliary power unit (APU) feeder cable on certain Boeing 737 aircraft. This action is necessary to detect interference with the elevator control cable which could result in a severed primary control cable. A severed elevator control cable combined with another elevator system failure could result in loss of the airplane.

**DATE:** Effective June 4, 1984.

**ADDRESSES:** The referenced service documents may be obtained upon request from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124, or may be examined at the address shown below.

**FOR FURTHER INFORMATION CONTACT:** Mr. Carlton Holmes, Airframe Branch, ANM-120S, Federal Aviation Administration, Northwest Mountain Region, Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington, telephone (206) 431-2928. Mailing Address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C-68968, Seattle, Washington 98168.

**SUPPLEMENTARY INFORMATION:** There have been five reported cases of interference between the elevator control cable and the APU feeder cable, all of which have resulted in abrasion and arcing between the two, leading to cable severance.