

vote at its regular session in the first half of the quota year concerned, in the light of such updated statistical information as it may have collected under Article 57.

4. The annual export quota for each exporting member shall be proportionate to the basic quota determined in accordance with Article 30.

5. On the presentation of such evidence as it considers satisfactory, the Council shall authorize an exporting member producing less than 10,000 tonnes in any quota year to export during that year a quantity not greater than its effective production available for exports.

#### Article 32

##### Scope of Exports Quotas

1. Annual export quotas cover:

(a) exports of cocoa from exporting members; and

(b) cocoa from the current crop year registered for export within the limit of the export quota in effect at the end of the quota year but shipped after the quota year, provided that such exports shall be made not later than the end of the first quarter of the succeeding quota year and shall be subject to conditions to be established by the Council.

2. For the purpose of determining the beans equivalent of the exports of cocoa products from exporting members and exporting non-members, the following shall be the conversion factors: cocoa butter 1.33; cocoa cake and powder 1.18; cocoa paste and nibs 1.25. The Council may determine if necessary that other products containing cocoa are cocoa products. The conversion factors for cocoa products other than those for which conversion factors are set out in this paragraph shall be fixed by the Council.

3. The Council shall, on the basis of any document referred to in Article 49, keep the exports of cocoa products by exporting members and imports of cocoa products from exporting non-members under continuous observation. If the Council finds that, during the quota year, the difference between exports of cocoa cake and/or cocoa powder by an exporting country and its exports of cocoa butter has considerably increased at the expense of cocoa cake and/or cocoa powder because, for example, of increased extraction-method processing, the conversion factors to be used for the purpose of determining the beans equivalent of its exports of cocoa products during that quota year, and/or, if the Council so decides, in a subsequent quota year, will be as follows: cocoa butter 2.15; cocoa paste and nibs 1.25; cocoa cake and powder 0.30; with consequential adjustment in the contribution remaining to be collected in accordance with Article 39. However, this provision shall not apply if the decrease in exports of products other than cocoa butter is due to increased domestic human consumption or to other reasons—to be provided by the exporting country—considered as satisfactory and acceptable to the Council.

4. Deliveries to the Buffer Stock Manager by exporting members under paragraph 2 of Article 40 and under paragraph 1 of Article 46, as well as diversion of cocoa under paragraph 2 of Article 46, shall not be counted against the export quotas of those members.

5. If the Council is satisfied that cocoa has been exported by exporting members for humanitarian or other non-commercial purposes, such cocoa shall not be counted against the export quotas of those members.

#### Article 33

##### Fine or Flavour Cocoa

1. Notwithstanding Articles 31 and 39, the provisions of this Agreement concerning export quotas and contributions for financing the buffer stock shall not apply to fine or flavour cocoa from any exporting member listed in paragraph 1 of

Annex C whose production is exclusively of fine or flavour cocoa.

2. Paragraph 1 shall also apply in the case of any exporting member listed in paragraph 2 of Annex C, part of whose production consists of fine or flavour cocoa, to the extent of the proportion of their production stated in paragraph 2 of Annex C. With regard to the remaining proportion, the provisions of this Agreement concerning export quotas and contributions for financing the buffer stock and other limitations of this Agreement shall apply.

3. The Council may, by special vote, revise Annex C.

4. If the Council finds that the production of, or export from, countries listed in Annex C has risen sharply, it shall take appropriate steps to ensure that no abuse or evasion of this Agreement is taking place.

5. Each exporting member listed in Annex C undertakes to require the presentation of an authorized Council control document before permitting the export of fine or flavour cocoa from its territory. Each importing member undertakes to require the presentation of an authorized Council control document before permitting the import of fine or flavour cocoa into its territory.

#### Article 34

##### Operation and Adjustment of Annual Export Quotas

1. The Council shall keep the market situation under review and shall meet whenever circumstances so require.

2. The following quotas shall have effect unless the Council decides by special vote to increase or reduce them:

(a) when the indicator price is above the minimum price + 6 United States cents per pound, and at or below the minimum price + 8 United States cents per pound, the export quotas in effect shall be 100 per cent of the initial annual export quotas;

(b) when the indicator price is above the minimum price + 3 United States cents per pound and at or below the minimum price + 6 United States cents per pound, the exports quotas in effect shall be 97 per cent of the initial annual export quotas;

(c) when the indicator price is above the minimum price + 8 United States cents per pound the export quotas in effect shall be suspended.

3. When the indicator price is above the minimum price and at or below the minimum price + 3 United States cents per pound, the Manager shall purchase cocoa beans up to 4 per cent of the initial annual export quotas under the terms provided for by paragraphs 3 and 6 of Article 40.

4. When the indicator price is below the minimum price, the Manager shall purchase cocoa beans under the terms provided for by paragraphs 4 and 6 of Article 40.

5. When the indicator price is above the minimum price + 14 United States cents per pound and at or below the maximum price, sales from the buffer stock shall take place up to 7 per cent of the initial annual export quotas under the terms provided for by paragraph 1 of Article 41.

6. When the indicator price is above the maximum price, sales from the buffer stock shall take place under the terms provided for by paragraph 1 of Article 41.

#### Article 35

##### Compliance with Export Quotas

1. Members shall adopt the measures required to ensure full compliance with the obligations undertaken by them in this Agreement in respect of export quotas. The Council may call upon members to adopt additional measures, if necessary, for the effective implementation of the export quota system, including the making of regulations by exporting