

**MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF
THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF
THE KINGDOM OF THAILAND ON THE PROCUREMENT OF THAI
WHITE RICE**

Desiring to enhance and strengthen, the good economic and trade relationship between the two countries on the basis of equality and mutual benefits;

Desiring to ensure the complementarity and stability of the rice market in both countries;

The Government of the Republic of the Philippines and the Government of the Kingdom of Thailand (hereinafter referred to individually as "the Philippine Government" and "the Royal Thai Government" respectively and collectively as "the Parties")

Have agreed as follows:

1. The Royal Thai Government is willing to sell and the Philippine Government has the option to buy up to one million metric tons (MT) of Thai white rice annually beginning from the year 2014 to 2016, subject to market demand, supply and production conditions in both countries and the international market price prevailing at the time of actual purchase.
2. For purposes of the implementation of this agreement, the Royal Thai Government shall designate the Department of Foreign Trade (DFT) as its implementing agency, provided DFT shall have a proven track record in similar Government to Government transactions with any government within the latest 5-year period; and the Philippine Government, on the other hand, shall designate the National Food Authority (NFA), a government owned and controlled corporation as its implementing agency.
3. In the procurement of rice from the Royal Thai Government, both Parties shall observe standard international trade practices, rules, regulations and procedures. The Philippine Government shall invite the Royal Thai Government to submit offers to the Philippine Government. The price offered by the Royal Thai Government shall be reviewed and evaluated by the Philippine Government. Should the price quoted be acceptable to the Philippine Government, it shall accept the offer and proceed with the procurement of the commodity. If the price is not acceptable, the Parties shall immediately proceed to negotiate an acceptable price until an agreement is reached. The Parties shall endeavor to reach an agreement within a period of ten (10) days after the start of the negotiations. Should the Parties fail to reach an agreement after fifteen (15) days, the Philippine Government is then free to reject the offer. Contract awarded to DFT shall not be assigned or performed