

EASTERN REGION OF NIGERIA

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*Third*

*Annual Report*

*of the*

EASTERN REGIONAL

MARKETING BOARD

(Established under the Eastern Regional Marketing Board  
Law, 1954 (No. 5 of 1954))

*1st January, 1957 - 31st December, 1957*

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EASTERN REGION OF NIGERIA

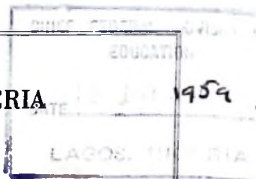
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*INTRODUCTION*

**1. General**

This Report, the Third Annual Report of the Eastern Regional Marketing Board, has been prepared in accordance with the requirements of Section 33(1) of the Eastern Regional Marketing Board Law (No. 5 of 1954) which reads as follows:

“As soon as may be after the thirty-first day of December in each year the Board shall prepare a report of its operations during the preceding year and shall forward such report to the Minister together with a certified copy of the audited accounts of the Board.”

The Report covers the period 1st January, 1957 to 31st December, 1957.

**2. Arrangement of the Report**

This Report follows the arrangement adopted for the Board's previous Annual Reports. It is divided into eight main sections under the following headings:

- (i) General (dealing with Membership, Meetings, etc., of the Board and the Representative Committees).
- (ii) Producer Price Policies: Palm Oil, Palm Kernels, Cocoa, Bennisseed, Soya Beans and Groundnuts.
- (iii) Marketing Arrangements in the Eastern Region.
- (iv) Review of Operations.
- (v) Selling Organisation and Arrangements.
- (vi) Financial Allocations for Economic Development and Research.
- (vii) Board's Accounts and Financial Position.
- (viii) Conclusion.

## I. GENERAL

### 3. Membership of the Board

Until 26th October, 1957, the membership of the Board remained unchanged and was as follows:

- Mr. L. P. Ojukwu, O.B.E., M.H.R., *Chairman*.  
The Director of Agriculture, Eastern Region.
- Mr. J. O. Ihekwoaba, M.H.A.
- Prince Eket Inyang-Udoh.
- Mr. J. O. Fadahunsi, M.H.A.
- Chief N. B. Wokoma-Horsfall.
- Mr. V. A. Nwankwo, M.H.A.
- Mr. J. C. Anyansi.
- Mr. L. N. Obioha.

On 26th October, 1957, the three year term of office for which original members of the Board were appointed expired and with effect from 27th October, 1957, the Minister of Production appointed the following nine persons to the Board for a period of three years:

- Mr. L. P. Ojukwu, O.B.E., M.H.R., *Chairman*.  
The Permanent Secretary, Ministry of Commerce, Eastern Region.
- The Permanent Secretary, Ministry of Agriculture, Eastern Region.
- The Permanent Secretary, Ministry of Finance, Eastern Region.
- Prince Eket Inyang-Udoh.
- Chief N. B. Wokoma-Horsfall.
- Mr. J. C. Anyansi.
- Mr. C. A. Oputa, B.A., LL.B., B.L.
- Mr. G. C. N. Akomas.

Of the nine members appointed, four, including the Chairman, were original members of the Board.

### 4. Meetings of the Board

- Three meetings of the Board were held during the year as follows:
- Tenth Meeting held at Port Harcourt on 26th February, 1957.
- Eleventh Meeting held at Port Harcourt on 16th August, 1957.
- Twelfth Meeting held at Port Harcourt on 21st November, 1957.

### 5. Secretary to the Board

The Assistant Director (Marketing), Eastern Region, of the Department of Marketing and Exports continued to act as Secretary to the Board throughout the period under review.

### 6. Executive Arrangements of the Board

The Department of Marketing and Exports continued as the executive organisation of the Board and was responsible for the executive and administrative work of the Board during 1957.

The Board contributes, together with the other Regional Marketing Boards, on an agreed basis, towards the re-imbusement to the Federal Government of the cost of the Department of Marketing and Exports.

## 7. Auditors

Messrs. Cooper Brothers and Co. continued to act as the Board's auditors.

## 8. Representative Committees

As in the case of the Board the composition of the three Representative Committees remained unchanged until 26th October, 1957, when the terms of office of all members expired and the Committees were reconstituted as follows:

### (a) *Palm Oil Industry Representative Committee:*

The Principal Trade Officer, Ministry of Commerce, *Chairman*.

The Permanent Secretary, Ministry of Finance, Enugu.

Chief J. A. Ibangha.

Mr. E. O. Atakpa.

Mr. M. N. Ugochukwu.

Mr. D. K. Ogbonnar.

Chief P. O. Okoye.

Mr. Julius Eze.

Prince Eket Inyang-Udoh.

Chief N. B. Wokoma-Horsfall. } Board Members.

Mr. H. O. Ubaja—Representing Licensed Buying Agents.

### (b) *Cocoa Representative Committee:*

The Director, Eastern Regional Produce Inspection Service, *Chairman*.

The Assistant Secretary (Estimates), Ministry of Finance, Enugu.

Chief Ogbonna Uruakpa.

Mr. G. I. Agina.

Mr. P. C. Ndu.

Mr. J. E. Nwaoha.

Mr. E. J. A. Oriji.

Messrs. John Holt & Company (Liverpool) Limited—Representing  
Licensed Buying Agents.

Prince Eket Inyang-Uddoh.

Mr. C. A. Oputa, B.A., LL.B., B.L.

Chief R. O. Orem. } Board Members.

### (c) *Minor Produce Representative Committee:*

The Director of Agriculture, Eastern Region, *Chairman*.

The Registrar of Co-operative Societies, Eastern Region.

Chief W. A. Obassey.

Chief J. E. Ekwueme.

Mr. S. O. Agbara.

Mr. D. O. Ahamefula.

Mr. T. O. Alagoa.

Mr. D. U. Atsu.

Councillor E. E. Iquerre.

Messrs. Okereke Brothers Limited—Representing Licensed Buying  
Agents.

Chief N. B. Wokoma-Horsfall.

Mr. G. C. N. Akomas. } Board Members.



The Board's producer price policy for the 1957 Marketing Year was considered as the Ninth Meeting of the Board held on 6th November, 1956.

From the selling point of view the first ten months of 1956 had been highly favourable and the results of operations in 1956 promised a comfortable trading surplus. Selling prices for palm kernels had reacted sharply to the Suez Canal crisis but after a short period the return to more settled conditions had seen a quick reversion to the pre-Suez level of prices. On the other hand, although market values for palm oil had advanced along with palm kernels as a result of political tension, there had been no quick return to pre-Suez levels and when the Board met in November, 1956, selling prices of palm oil were still very much higher than had been anticipated a year earlier. Of the three categories of oil palm produce, future market prospects for palm kernels were the most predictable. Apart from the short period during the Suez Canal crisis, palm kernel selling prices in 1956 had not deviated far from those forecast and the prospects for 1957 held out little promise that the existing producer price could be maintained without a certain measure of price support. On the other hand, the future course of palm oil selling prices was more difficult to predict. It appeared that the high values created by the Suez crisis would be carried over into 1957, and although a return to normal market conditions seemed likely there was no clear indication as to when this would be, or the extent to which selling prices would decline. As far as could be foreseen the return to normal conditions would result in palm oil prices falling considerably. At the same time, favourable trading results in 1956 would place the Board's oil palm produce finances in a strong position so as to enable 1957 to be faced with confidence and to justify maintaining producer prices at existing levels for a further year.

After giving full consideration to the advice tendered to it by the Nigeria Central Marketing Board, and in consultation with the Palm Oil Industry Representative Committee, the Board decided to make no change in the 1957 Producer Price and the prices fixed were as follows:

		<i>(Per Ton)</i>
		£
Palm Kernels, naked ex-scale, port of ship-		
ment	... ..	30
Palm Oil, naked ex-scale		
Bulk Oil Plant:		
(a) Special Grade Palm Oil	... ..	50
(b) Technical Palm Oil:		
Grade I	... ..	38
Grade II	... ..	28
Grade III	... ..	20

## 11. Cocoa

The prices to be paid to the cocoa producer in the 1957/58 season were considered by the Board at its Eleventh Meeting held on 16th August, 1957.

The producer prices paid in the preceding four seasons were as follows:

		1953/54	1954/55	1955/56	1956/57
		(Per Ton)	(Per Ton)	(Per Ton)	(Per Ton)
		£	£	£	£
Main Crop: Grade I	...	170	200	200	150
Main Crop: Grade II	...	155	185	185	135
Light Crop: Grade I	...	170	200	200	150
Light Crop: Grade II	...	155	185	185	135

For the past two seasons the Board's cocoa operations had been carried on at a heavy loss and its cocoa stabilisation reserves had been severely depleted. Reduced producer prices for the 1956/57 season had partially arrested the excessive drain on reserves, but with record world production during the 1956/57 season, selling prices remained low and the Board had again been called upon to support producer prices. Market prospects for the 1957/58 season were hardly more favourable although demand had been stimulated by the continued low level of market values and selling prices had advanced. On the other hand, the position had become confused following the refusal of the Brazilian Government to sell below a certain minimum price and this action, at a time when Brazilian supplies were normally entering the market, had resulted in an advance in selling prices beyond what could be considered the normal economic level. The extent to which Brazilian cocoa supplies could be withheld from the market and prices forced up, was an unknown and doubtful factor, but it was considered that the artificial values temporarily created would revert to normal as soon as Brazil released stocks and West African supplies entered the market. Selling prospects for the 1957/58 season were no more favourable than they had been for the past season and with growing production in the Eastern Region the incidence of any future measure of price support threatened to become an increasing strain on the reserves available for price stabilisation. At the same time the Board felt that the increased interest shown in the production of cocoa was of great value to the Region's economy and as far as possible any action likely to reduce this interest by making severe cuts in producer prices was considered inadvisable. Accordingly the Board decided that the only alteration to producer prices for the 1957/58 season should be a reduction of £4 per ton to bring the net producer prices in the Eastern Region into line with those announced for the other Regions bearing in mind the difference in the incidence of Produce Purchase Tax in the Eastern Region. This decision was subsequently endorsed by the Cocoa Representative Committee.

The prices fixed for the 1957/58 season were as follows:

						<i>Main and Light Crops</i>
						(Per Ton)
						£
Grade I	...	...	...	...	...	146
Grade II	...	...	...	...	...	131

## 12. Benniseed

For five seasons the flat minimum naked ex-scale buying station price for benniseed had been £36 per ton, and at this price the Board's operations in the

1956/57 season had resulted in a small surplus. Selling prospects for the 1957/58 crop were promising and when the Board met on 26th February, 1957, to consider its producer price for the forthcoming season it decided that the naked ex-scale buying station price for benniseed in the 1957/58 season should be increased to £37 10s. per ton. This was in line with the lead set by the Northern Regional Marketing Board who had announced a similar increase. The Board's decision thus achieved price uniformity and reduced the risk of diversion from one Region to another. Subsequently the Board's decision on benniseed prices was endorsed by the Minor Produce Representative Committee.

### **13. Soya Beans**

The flat minimum naked ex-scale buying station price for soya beans in the 1956/57 season had been fixed at £18 per ton. This was a reduction of £2 per ton from that paid since the 1951/52 season and followed a period when a decline in market values had resulted in a loss on operations.

When the Board met on 26th February, 1957, to consider its provisional minimum pre-planting price for soya beans in the 1957/58 season, market prospects were discouraging and offered little more than the prospect of breaking even on operations if the producer price remained unchanged. In the interests of producer price stability the Board decided, however, that although selling prospects were unfavourable, it would announce a provisional minimum pre-planting price of £18 per ton for the 1957/58 season.

The Board considered the final producer price for soya beans at its eleventh meeting held on 16th August, 1957. No new factors had arisen to enable the Board to place a more favourable construction on selling prospects and the Board decided that the provisional price already announced should be made final for the 1957/58 season.

The Minor Produce Representative Committee subsequently endorsed this decision.

### **14. Groundnuts**

Since 1956, the Board had been considering the possibility of adding groundnuts to the schedule of crops under its control. The Department of Agriculture had reported that the production of groundnuts in the Eastern Region, mainly in the area around Ogoja, was increasing. Some doubt existed as to whether groundnuts grown in the Region were absorbed entirely by the domestic market for local consumption or whether certain tonnages were taken to the Northern Region to be sold for export to the Northern Regional Marketing Board. The tonnage estimated to be grown in the Region was reliably calculated as 3,000 tons but the proportion of this likely to come forward for export in response to a Marketing Scheme issued by the Board depended mainly on the local value of groundnuts as a foodstuff in comparison with the price offered by the Board and it was decided that the Board would have to undertake an experimental Marketing Scheme in order to ascertain whether the producers found it profitable to sell for export.

Following the addition of groundnuts to the Schedule of crops handled by the Board a flat naked ex-scale producer price of £35 10s. per ton had been

announced early in 1957 to cover any purchases of 1956/57 crop that might be made, but the season was too far advanced and no groundnuts were offered for sale to the Board. Thus, when the Board met on 26th February, 1957, to consider the provisional minimum pre-planting price for the 1957/58 season it was still without experience of marketing conditions in the Eastern Region and it was agreed that initially the Board should approach the problem on the assumption that the methods of growing and preparing groundnuts in the Eastern Region would follow very closely those in the neighbouring Provinces of the Northern Region. The Marketing Scheme operated by the Northern Regional Marketing Board during the 1956/57 season in the neighbouring Benue Province offered the producer a net buying station price of £35 10s. per ton. The Board accordingly adopted the same net price, namely £35 10s. per ton naked ex-scale, as its provisional minimum price for the 1957/58 season. At this time, the Northern Regional Marketing Board had not announced the price it would pay and in the event, the provisional price fixed for the Northern Region was somewhat higher. When the Board met on 16th August, 1957, to decide the final producer price for the 1957/58 groundnut season it had to decide whether, in the interests of uniformity, it should pay the same price as that paid in the Northern Region. Selling prospects were not good and there was doubt as to whether the producer price could be held at the level announced by the Northern Region without an appreciable loss per ton. On the other hand it was realised that to gain experience and to assess the possibilities of purchasing groundnuts for export in the Eastern Region it was essential to offer the same terms in the East as in the North if diversion were to be avoided. The Board therefore decided that it would pay the producer in the Eastern Region the same net naked ex-scale buying station price as that paid in the neighbouring Benue Province in the 1957/58 season, namely, £37 per ton.

The Minor Produce Representative Committee subsequently endorsed this decision.

## **15. Producer Prices Viewed in Retrospect**

### *Oil Palm Produce*

As predicted the high market values for palm oil created by the Suez Canal crisis extended into 1957 and the year opened with selling prices at unusually high levels. In subsequent months normal market factors came back into play and prices fell to levels more in line with those forecast when producer prices for 1957 had been decided. Palm kernel selling prices had been quick to return to normal after the Suez Canal crisis and the average f.o.b. selling price for the year of £44 2s. 5d. per ton was very close to that estimated. On the other hand, palm oil prices did not fall so rapidly or to the same extent and with average f.o.b. selling price of £87 7s. 9d. per ton for edible oil and £71 15s. 7d. per ton for technical oil, the Board was again able to earn an appreciable surplus on the oil palm produce operations.

At the end of the year, market values for both palm kernels and palm oil advanced as a result of political tension in Indonesia and the possibility that supplies of copra and palm oil from that source would be interrupted.

## *Cocoa*

As foreshadowed in the Board's Second Annual Report, unfavourable selling prices in the 1956/57 season resulted in cocoa producer prices for that season being heavily subsidised from the Board's stabilisation reserves. By the end of 1957 it was fairly clear that the 1957/58 West African cocoa crop would fall short of that produced in the 1956/57 season and selling prices responded accordingly. With higher selling values and slightly reduced producer prices it is likely that the heavy drain on the Board's reserves experienced in the past two seasons will be arrested.

### *Benniseed and Soya Beans*

By the end of the year it was evident that selling prices were following the course predicted when producer prices for benniseed and soya beans had been determined. As a result, the Board little more than broke even on its soya beans trading operations but would make a reasonable surplus on the considerably reduced purchases of benniseed in the 1957/58 season.

### *Groundnuts*

At the end of 1957, no groundnuts had been purchased by the Board for export but with record production assured in the Northern Region and a reduced demand for edible oils and oilseeds on the overseas markets it was clear that any groundnuts bought in the 1957/58 season would be sold at a heavy loss.

## III. MARKETING ARRANGEMENTS FOR BOARD CROPS IN THE EASTERN REGION

### 16. Marketing Schemes

With the addition of groundnuts to the schedule to the Eastern Regional Marketing Board Law, the number of Marketing Schemes operated by the Board was increased to seven. In accordance with established practice the Marketing Schemes setting out the main principles governing the marketing of each crop were approved by the Board and issued after consultation with the Eastern Region Licensed Buying Agents' Committee. The detailed operation of the Schemes is the responsibility of the Board's executive and Circular Instructions covering all aspects of marketing operations are issued for each crop. Marketing Schemes issued in respect of the 1957 Marketing Year and the 1957/58 Crop Seasons are listed below and copies are attached as Appendices to this Report:

- Appendix I: 1957 Palm Kernels Marketing Scheme,
- "    II: 1957 Special Grade Palm Oil Marketing Scheme,
- "    III: 1957 Technical Palm Oil Marketing Scheme,
- "    IV: 1957/58 Cocoa Marketing Scheme,
- "    V: 1957/58 Benniseed Marketing Scheme,
- "    VI: 1957/58 Soya Beans Marketing Scheme,
- "    VII: 1957/58 Groundnut Marketing Scheme.

As in previous years the Board utilised the services of licensed buying agents to purchase produce at no less than the minimum prices stipulated by the Board and for packing and delivering the produce to port or bulk oil

plant. For these services, which include responsibility for loss or damage to the produce while in transit, licensed buying agents are re-imbursed by payment of a block buying allowance at agreed rates.

The Marketing Schemes issued by the Board for the 1957 Oil Palm Produce Marketing Year and the 1957/58 Crop Seasons followed very closely the lines of those described in the Board's earlier Annual Reports.

### 17. Plantation Palm Oil

As in the 1956 Marketing Year, the Board continued to purchase palm oil produced on the plantations of Pamol Limited on the same terms and at a price directly related to that of special grade palm oil.

### 18. Opening and Closing Dates

In exercise of powers granted to the Board under the Eastern Regional Marketing Board Law (No. 5 of 1954) to prescribe by Public Notice specific periods during which the buying of produce offered for sale for export shall be prohibited, restricted or allowed, suitable opening and closing dates for the various crop seasons and Marketing Years were fixed by the Board in consultation with all interested parties.

### 19. Buying Allowances

The Buying Allowances for the 1957/58 Seasons and the 1957 Oil Palm Produce Marketing Year were determined in accordance with the terms of the First Three Year Agreement between the Board and its Licensed Buying Agents, details of which were given in the Board's First Annual Report.

The following table sets out the buying allowances paid by the Board during the 1957 Oil Palm Produce Marketing Year and the 1957/58 Cocoa, Bennisseed, Soya Beans and Groundnuts Seasons together with the allowances paid in the preceding Marketing Year or Season:

	1957			1956		
<i>Crop:</i>	£	s.	d.	£	s.	d.
Palm Kernels ... ..	5	2	6	5	5	6
Special Grade Palm Oil (Drums)...	7	14	1	7	14	1
<i>Technical Palm Oil (Drums):</i>						
Grade I ... ..	7	0	7	6	19	9
Grade II ... ..	6	7	6	6	6	7
Grade III ... ..	5	18	6	5	18	11
Special Grade Oil (Casks)	9	2	1	8	12	9
<i>Technical Palm Oil (Casks):</i>						
Grade I ... ..	7	19	4	7	19	10
Grade II ... ..	7	8	1	7	6	9
Grade III ... ..	6	19	9	6	17	5

<i>Cocoa:</i>		1957/58	1956/57
Grade I ... ..	...	10 6 11	10 15 2
Grade II ... ..	...	9 18 0	10 6 2
Benniseed ... ..	...	5 15 6	5 17 4
Soya Beans ... ..	...	4 1 9	3 13 11
Groundnuts ... ..	...	4 12 6	—

Changes in the above buying allowances were made during the year following movements in the United Kingdom Bank Rate and increases were necessary after the effects of the Hanbury and Gorsuch wage awards on the Overheads item of the buying allowance had been computed. Additional buying allowances were also calculated during the year to take into account the variations in the Finance Element following the introduction of the optional system of making payment to licensed buying agents by cheques marked "Commission to Drawer's Account."

## 20. Quality Standards and Grades Prescribed for Export

The following are the standards and grades prescribed for export by the Nigeria Central Marketing Board under its statutory powers:

### (a) *Palm Kernels*

The standard prescribed for exportable palm kernels is that of "first quality" which means palm kernels which contain less than 4 per cent by weight of shell, fibre, rotten and decayed kernels and/or extraneous matter and which are thoroughly dry and hard.

### (b) *Palm Oil*

The standard at the time of purchase prescribed for exportable palm oil is that of "first quality" which means palm oil which contains less than 2 per cent by weight of water and extraneous substances and which has not been adulterated.

The grades prescribed are as follows:

*Special Grade:* Exportable palm oil containing not more than 3.5 per cent of free fatty acid.

*Technical Grade I:* Exportable palm oil containing more than 3.5 per cent but not more than 9 per cent of free fatty acid.

*Technical Grade II:* Exportable palm oil containing more than 9 per cent but not more than 18 per cent of free fatty acid.

*Technical Grade III:* Exportable palm oil containing more than 18 per cent but not more than 30 per cent of free fatty acid.

### (c) *Cocoa*

The grades prescribed are as follows:

*Grade I:* Cocoa which is thoroughly dry, free from foreign matter and from smoky, velvety or black beans, which contains less than:

- (i) 5 per cent by count of mouldy, weevily, decayed flat and/or germinated beans, and
- (ii) 5 per cent by count of unfermented and/or insufficiently fermented beans.

*Grade II:* Cocoa which does not qualify for Grade I and which is thoroughly dry, free from foreign matter and from smoky, velvety or black beans and which contains less than:

- (i) 10 per cent by count of mouldy, weevily, decayed flat and/or germinated beans, and
- (ii) 10 per cent by count of unfermented and/or insufficiently fermented beans.

Provided that any parcel of cocoa of which a sample of three hundred beans weighs less than eleven ounces shall be designated "Light Cocoa", Grade I or II as the case may be.

*(d) Benniseed*

The standard prescribed is that of "Exportable Quality" defined as benniseed which contains not more than 2 per cent by weight of stones, laterite, mineral and other extraneous matter, and not more than 5 per cent by weight of seed other than *seasamum indicum*.

*(e) Soya Beans*

The standard prescribed is that of "Exportable Quality" which means soya beans which contain not more than 0.2 per cent by weight of stones, laterite and other mineral matter and not more than 1.5 per cent by weight of total impurities and which are entirely free from castor seed and other seeds.

## 21. Purchase Tax on Produce

The Board continued to be responsible for payment to the Government of the Eastern Region the Purchase Tax on Produce at the rates prescribed in the Purchase Tax on Produce Law (No. 8 of 1954). As in the case of soya beans, the Government decided that, in order to provide every encouragement for the production of groundnuts for export, this crop should, for the present, be excluded from the terms of the Purchase Tax on Produce Law. The following are the rates of tax per ton prescribed by the Law:

<i>Produce</i>	<i>Rate of Tax</i>		
	<i>(Per Ton)</i>		
	£	s.	d.
Palm Oil (all grades) ... ..	4	0	0
Palm Kernels ... ..	2	0	0
Cocoa ... ..	4	0	0
Benniseed ... ..	10	0	

## 22. Appointment of Licensed Buying Agents

In accordance with established practice the Board, at appropriate meetings throughout the year, reviewed the performance of its licensed buying agents in order to consider their suitability for reappointment. At the same meetings the Board also considered applications for first appointment received in response to Public Notices inviting applications for appointment. Copies of the Public Notices in respect of cocoa, soya beans and oil palm produce are published as Appendices VIII to X of this Report.

Twenty-two applications for first appointment under the 1957 Palm Oil Marketing Schemes were considered and of these seven were successful. All licensed buying agents operating in the 1956 Marketing Year were reappointed. Because of irregularities, certain licensed buying agents were given conditional licenses barring them from operating at buying stations where the irregularities were detected. Of the fourteen applicants for first appointment as palm kernels licensed buying agents in the 1957 Marketing Year, the Board approved the issue of two unconditional licences and a conditional licence was approved in respect of one other applicant. All palm kernels licensed buying agents operating in the 1956 Marketing Year were reappointed. One new application for first appointment in the 1957/58 cocoa season was received and approved which, together with the existing licensed buying agents who were all reappointed, brought the number of cocoa licensed buying agents to four. In addition to the existing benniseed and soya beans licensed buying agents, one further appointment was made for the 1957/58 benniseed season and two applicants for first appointment in the 1957/58 soya beans season were approved. Two buying agents were licensed to purchase groundnuts for export under the Board's 1957/58 Groundnut Marketing Scheme.

Names of licensed buying agents appointed in the 1957 Oil Palm Produce Marketing Year or 1957/58 Seasons are given in the various Marketing Schemes attached as Appendices to this Report.

#### IV. REVIEW OF MARKETING OPERATIONS

##### 23. Principal Features

Purchases of palm kernels for export in the Eastern Region in 1957 were lower by 10,033 tons or 4.7 per cent than in the 1956 Marketing Year. This decline was experienced throughout the Federation and was less marked in the Eastern Region where, for the first time for many years, the Region's contribution to total purchases was the largest for all Regions. Normally the Eastern Region takes second place to the Western Region in this respect. As in the case of palm kernels, purchases of palm oil for export in the Eastern Region in 1957 fell short of those for 1956 by 7,718 tons or 4.8 per cent with a reduction of 13,434 tons or 7 per cent for the Federation of Nigeria. It is thought that adverse climatic conditions throughout the oil palm producing areas were mainly responsible for the decline in production especially in respect of palm kernels. Persistent and heavy rains created unusually difficult conditions throughout the Eastern Region and both production in general and evacuation from the remoter areas were severely hampered. Although climatic factors may have been partially responsible for the decline in palm oil production for export it is difficult, in view of the progressive decline in purchases for export since 1954, to escape the conclusion that growing domestic consumption and an increasing demand for local manufacturing purposes are having an effect on purchases for exports. Cocoa purchases in the 1956/57 season were a record for the Eastern Region at 1,535 tons and followed the trend experienced throughout the Federation

where record purchases were made. Quality was also very high. The 1957/58 Season was slow to start, possibly as a result of continued heavy rains, and at the end of 1957 only 991 tons had been purchased compared with 1,294 tons at the end of 1956. A marked feature of the 1957/58 cocoa season to date has been the unusually high proportion of light crop cocoa purchased for export which suggests that prolonged rains may have retarded normal maturing and that many new trees are coming into production. Bennisseed purchases for export in the 1957/58 season were considerably below average. Total purchases amounted to only 173 tons, a decline of 57 per cent from 404 tons purchased in the 1956/57 season. This unusually heavy decline in purchasing has been attributed to insufficient rainfall in the producing areas during the vital growing months and increased domestic consumption. In contrast, purchases of soya beans in the 1956/57 season were considerably above average at 734 tons which represented an increase of 369 tons or 101 per cent over purchases in the previous season. The 1957/58 soya beans season opened a few weeks before the end of 1957 and early indications are that purchases will not be quite so heavy. Mention has been made earlier that no groundnuts of the 1956/57 crop were purchased by the Board for export. Towards the end of November the 1957/58 season opened but as groundnuts in the Eastern Region are harvested rather later than those in the Northern Region no purchases had been reported by the end of the year.

#### 24. Purchases—All Crops

##### *Palm Kernels*

Purchases declared by licensed buying agents in 1957, compared with purchases during the three previous years, were as follows:

1957 (Tons)	1956 (Tons)	1955 (Tons)	1954 (Tons)
201,261	211,294	197,557	222,721

..... Of the total.

Of the total tonnage of palm kernels purchased throughout the Federation of Nigeria in 1957, the Eastern Region purchases accounted for 48.9 per cent compared with 45.4 per cent in the previous year and 46.8 per cent in the year before.

##### *Palm Oil*

Declared purchases of palm oil (excluding plantation palm oil) in the Region in the 1957 Marketing Year, compared with those for 1955 and 1956 were as follows:

	1957 (Tons)	1956 (Tons)	1955 (Tons)
Special Grade Palm Oil ...	117,239	128,322	128,797
Technical Palm Oil ...	34,519	30,525	34,182
	<u>151,758</u>	<u>158,847</u>	<u>162,979</u>

The table below compares purchases made in the Eastern Region's 1957 Marketing Year with total purchases made in the Federation as well as showing figures for the previous Marketing Year.

	1957		1956	
	<i>Nigerian</i>	<i>Eastern</i>	<i>Nigerian</i>	<i>Eastern</i>
	<i>Purchases</i>	<i>Purchases</i>	<i>Purchases</i>	<i>Purchases</i>
	(Tons)	(Tons)	(Tons)	(Tons)
Special Grade ... ..	118,080	117,239	129,356	128,322
<i>Technical Grade:</i>				
Grade I ... ..	41,208	34,445	39,536	30,357
Grade II ... ..	3,746	72	4,650	168
Grade III ... ..	3,162	2	5,692	—
Total Technical ... ..	48,116	34,519	49,878	30,525
Total Purchases ... ..	166,196	151,758	179,234	158,847

Declared production of palm oil produced on the plantations of Pamol Limited since 1954 has been as follows:

1957	1956	1955	1954
(Tons)	(Tons)	(Tons)	(Tons)
2,550	3,179	2,857	2,686

#### *Cocoa*

The Cocoa Season runs from September to September with the heaviest purchases normally being made during the period November-March. Although the period covered by this Report includes part of the 1956/57 and 1957/58 Cocoa Seasons, it is considered appropriate that total purchases for a complete season should be given rather than part season's purchases. Accordingly, below are shown total purchases made in the 1956/57 Season as compared with the two previous seasons:

	1956/57	1955/56	1954/55
	(Tons)	(Tons)	(Tons)
Main Crop ... ..	1,472	1,152	981
Light Crop ... ..	63	37	4
	<u>1,535</u>	<u>1,189</u>	<u>985</u>

#### *Benniseed*

All the benniseed produced in the Eastern Region is grown in the Ogoja area. The 1957/58 Benniseed Season opened in June, 1957, and by the end of the year purchases were completed. The following table shows purchases made in the 1957/58 Season as compared with purchases made in the two previous seasons:

1957/58	1956/57	1955/56
(Tons)	(Tons)	(Tons)
173	404	544

### *Soya Beans*

The 1957/58 Soya Beans Season did not open until December, 1957 and only purchases for the 1956/57 Season are shown below together with the two previous seasons:

1956/57 (Tons)	1955/56 (Tons)	1954/55 (Tons)
734	365	347

## **25. Quality: All Produce**

### *Palm Kernels*

Quality was, on the whole, good throughout the year and few quality claims by overseas buyers were made on 1957 shipments.

### *Palm Oil*

Edible palm oil contributes the greatest proportion to total palm oil purchased in the Eastern Region. The following table shows the proportions of the different grades of oil that made up the total quantity purchased in the Region in 1957 as compared with 1955 and 1956:

	1957 %	1956 %	1955 %
<i>Special Grade Oil</i> (excluding plantation palm oil ...)	77.25	80.76	79.00
<i>Technical Oil:</i>			
Grade I ... ..	22.70	19.13	20.56
Grade II ... ..	0.05	2.99	0.42
Grade III ... ..	—	—	0.02
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

### *Cocoa*

The quality of cocoa purchased in the Region continued to improve and in the 1956/57 Season Grade I Cocoa formed 99.5 per cent of the total purchases. The table below compares the percentages represented by each grade purchased in the 1956/57 Season and the two previous seasons:

<i>Main and Light Crops</i>	1956/57 %	1955/56 %	1954/55 %
Grade I ... ..	99.3	99.0	85.8
Grade II ... ..	0.7	1.0	13.6
Sub-Grade ... ..	—	—	0.6
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

### *Benniseed*

Although there is no official produce inspection of benniseed, the Eastern Regional Inspection Service by offering advice and guidance have, with the co-operation of the Board's licensed buying agents and the Department of Agriculture, succeeded in bringing about a considerable improvement in the quality of benniseed sold for export in the Region. For the second season in succession there were no adverse outturn reports from overseas buyers.

### *Soya Beans*

The quality of soya beans purchased for export in the Eastern Region in the 1956/57 Season was satisfactory but excessive admixture content gave cause for concern. As a result it was necessary to insist on re-cleaning at port before the soya beans were considered suitable for shipment.

## **26. Evacuation and Storage of Produce**

With the continued improvement in road transport facilities, evacuation of palm kernels by road to Port Harcourt was adopted by licensed buying agents to an increasing extent. The advantages of this are speedier evacuation and in the case of some buying stations a reduced risk of loss or damage by water. During the year the operation of the Port Storage Sheds at Port Harcourt was transferred from the Department of Marketing and Exports to the Nigerian Ports Authority but the sheds continued to be devoted solely to the reception and storage of palm kernels. Generally speaking evacuation from up-country buying stations presented no unusual difficulties and a regular and even flow of palm kernels to port was maintained. This flow was interrupted towards the end of the year when the Aba-Port Harcourt and the Owerri-Port Harcourt roads were closed following severe damage caused by the heavy and prolonged rains. This delayed evacuation for some weeks although it was possible to move a proportion of the traffic by rail. The situation although difficult, never became acute and before serious disruption in the movement of palm kernels to Port Harcourt occurred, the roads were re-opened and evacuation resumed. No subsidiaries for alternative movement were necessary.

As in the case of palm kernels the evacuation of palm oil to Bulk Oil Plant was generally satisfactory and an adequate rate of bulking was maintained throughout the year. The temporary closing of the roads leading into Port Harcourt towards the end of the year delayed evacuation for some weeks but fortunately the bulk of stocks had already been delivered to the Bulk Oil Plant, and the roads were re-opened before the palm oil delayed up-country suffered any undue deterioration. No subsidies for alternative evacuation were paid. Nevertheless, the complete isolation of the Port Harcourt hinterland by road caused considerable anxiety and the dangers likely to arise from a similar situation occurring in the peak season have been stressed to the authorities concerned. It is to be hoped that the repairs now being carried out on these roads will be sufficient to ensure that future heavy rains do not create the same difficult conditions experienced in 1957. With increased capacity available at the Port Harcourt Bulk Oil Plant it

was not at any time necessary to introduce bulking allocations as in earlier years and licensed buying agents were free to evacuate without restriction. At other plants in the Region, i.e. Calabar, Opobo and Abonnema, bulking of palm oil presented no unusual difficulties and bulking continued throughout the year without disruption.

As practically the whole of the palm oil bulked at Calabar and Abonnema is evacuated by water, the Board is vitally concerned in the efforts being made by the Inland Waterways Department to improve river evacuation facilities. A member of the Board's executive organisation was invited to attend the first meeting of the Eastern Region Inland Waterways Advisory Board, a body set up to advise the Eastern Region Government on the methods to be employed in bringing about an improvement in the facilities available to ensure the most economical and profitable utilisation of the Region's numerous waterways.

The usual difficulties of cocoa evacuation from Ikom by water were again experienced in the 1956/57 Season. The Ikom area is the Region's main cocoa producing area with the bulk of purchases being made from September to January. Owing to its situation on the Upper Cross River, it is not possible to evacuate to Calabar by water until high water in June or July. Although every effort is made to prevent deterioration, cocoa is particularly vulnerable to long storage and with production increasing annually, some deterioration is inevitable. During 1957 437.5 tons of 1956/57 Grade I Cocoa from Ikom was found on arrival at Calabar to have deteriorated to either Grade II or "No Grade" and the development of road transport between Ikom and Calabar has become a matter of vital importance if the quality of Ikom cocoa is to keep pace with the increasing quantity.

Bennised of the 1957/58 crop and 1956/57 season soya beans were evacuated to port without difficulty to meet pre-arranged shipment.

## **27. West African Stored Products Research Unit**

As mentioned in the Board's Second Annual Report, 25 per cent of the total costs of the Unit are borne by the Board, with the remainder of the costs being met in equal proportion by the Western Region and Northern Regional Marketing Boards and the Government of the Federation.

Until such time as its own offices and laboratory facilities are provided at Port Harcourt the Unit continues to utilise the laboratories of the Produce Inspection Service and the Tropical Testing Establishment and the offices of the Board's executive.

In 1957, under the control of the West African Stored Products Research Unit chemist, Field Research continued into the causes of deterioration of palm oil from time of extraction from the fruit until time of shipment. Research undertaken during the year included experiments on sampling procedure for special grade palm oil. The results of these experiments have shown that the variation in F.F.A. content of palm oil at various depths in the drum is much less than had generally been supposed. Other experiments

concerned the loss in weight of palm kernels under varying conditions and the effects of agitation on the set-up in F.F.A. content of drummed palm oil.

Full details of the work undertaken by this Unit during the year are contained in its published Annual Report.

## **V. SELLING ORGANISATION AND ARRANGEMENTS**

### **28. Nigeria Central Marketing Board**

As stated in the Board's last Annual Report, the Nigeria Central Marketing Board is the statutory body with responsibility for the shipment and overseas sale of the Produce it takes over from the Regional Boards and sells as Nigerian Produce. During the period covered by this Report all produce marketed by the Board with the exception of palm oil was delivered to the Nigeria Central Marketing Board at free on board point, at which stage that Board takes over. In the case of palm oil, the point of take over is on delivery to the Bulk Oil Plants.

### **29. Operational Relationship between the Eastern Regional Marketing Board and the Nigeria Central Marketing Board**

In the First Annual Report of the Board the operational relationship that exists between the Board and the Central Marketing Board were described in some detail. In 1957 this relationship continued satisfactorily along the same lines, with the Board selling its produce to the Central Marketing Board and receiving the proceeds from overseas sale less expenses. The various Produce Agreements entered into between the Board and the Central Marketing Board remained in force and formed the legal basis of the contractual relationship between the two bodies.

The Board continued to be represented on the Nigeria Central Marketing Board by L. P. Ojukwu, Esq., O.B.E., M.H.R. and J. C. Anyansi, Esq.

A detailed report of the Nigeria Central Marketing Board's operations is contained in its published Annual Report.

### **30. Nigerian Produce Marketing Company Limited**

The Nigerian Produce Marketing Company Limited continued to act as the overseas selling organisation of the Nigeria Central Marketing Board. This Company arranges the sale of all Nigerian Marketing Board produce in accordance with the overall selling policy set by the Nigeria Central Marketing Board. The ultimate control of this policy is in the hands of the Regional Marketing Boards by virtue of their representation on the Central Marketing Board and the fact that they are the beneficial Shareholders of the Company. The representatives of the Regional Boards, being members of the Nigeria Central Marketing Board, are ex officio directors of the Nigerian Produce Marketing Company Limited.

## **VI. FINANCIAL ALLOCATIONS FOR DEVELOPMENT AND RESEARCH**

**31.** The Board's earlier Annual Reports have described in detail the heavy financial commitments undertaken by the Board in the first year of its

existence. Some of these commitments were taken over from the Commodity Marketing Boards while others were accepted as new commitments by the Board. The following are particulars of the action taken by the Board during the year to satisfy its financial commitments in respect of continuing or outstanding projects of research and development:

(a) *Co-operative Marketing of Oil Palm Produce*

A payment of £4,286 was made during the year towards the cost of this scheme taken over from the Nigeria Oil Palm Produce Marketing Board. The Board accepted a total commitment of £61,132 representing the balance of the capital and recurrent expenditure of the scheme designed to be carried out over a period of up to 1962 and with the payment in respect of 1957 the sum outstanding for payment in future years was £45,875.

(b) *West African Stored Products Research Unit*

The Board, in common with the other Regional Boards; pays 25 per cent of the total costs of the Unit and its contribution during 1957 was £9,230.

(c) *Investment in Federal Government Loan Programme*

During the year, the Board invested the sum of £2,109,300 in the Federal Government's Loan Programme. This represented the Board's agreed share of a commitment taken over from the former Commodity Boards. This loan will be repaid by the Government of the Federation over a period of 20 years with interest at 3½ per cent on £373,300 and 4½ per cent on £1,736,000.

(d) *Grants towards the proposed University of Nigeria*

The sum of £500,000 was reserved in the 1957 Accounts of the Board's commitment to pay £5,000,000 over a period of nine years towards the cost of the proposed University of Nigeria. The sum held in reserve against the cost of this project is now £2,000,000.

### 32. Policy of the Board

As described in the Board's Second Annual Report, the heavy financial commitments undertaken by the Board in 1955 reduced the financial resources available for research and development to such low levels that further allocations during 1956 were considered inadvisable. Similarly, the Board decided not to take on any new commitments in 1957 although the Board gave its assurance to the Department of Agriculture that two development projects—one connected with cocoa and the other with oil palm produce—originally financed by the Eastern Region Development Corporation would not be allowed to lapse through want of funds. The request for funds by the Department of Agriculture was made after the Development Corporation had declared itself unable to finance the projects further and in view of the importance of these projects to the economic development of the Region the Board gave its assurance. Both 1956 and 1957 have been relatively favourable from the trading point of view and the Board's financial reserves have been strengthened materially as a result. Nevertheless, the annual commitment of £500,000 in respect of the proposed University of Nigeria must be provided for and with the need to maintain producer prices in the face of declining

overseas selling prices the Board cannot hope to do more than to limit its allocations for development and research expenditure for the time being.

## VII. THE BOARD'S ACCOUNTS AND FINANCIAL POSITION

The Board's Accounts at Appendix XI consist of the following:

1. Balance Sheet at 31st December, 1957.
2. General Reserve Account.
3. Profit and Loss Account.
4. Trading Accounts:
  - (a) Palm Kernels
  - (b) Palm Oil
  - (c) Cocoa
  - (d) Soya Beans.
5. Summary of Produce Sales.

### 33. Balance Sheet

British Government securities shown at cost form the major item of Assets and their market value at 31st December, 1957, was £6,688,985, a slight decrease on the previous year's valuation due largely to the effect of the high Bank Rate then ruling and the unsettled state of the Investment Market. The Investment Reserve has been increased to £1,000,000 as a provision against depreciation in value, although the Board's Investment are all dated stocks repayable in full on maturity.

Provision has already been made for £1,500,000 of the grant to the proposed University of Nigeria which is included in the Accounts under the heading of Current Liabilities and Provisions. Under Specific Reserves a further sum of £500,000 has been allocated to the University in respect of the 1958 contribution.

### 34. General Reserve Account

A surplus of £1,945,324 is brought forward from the Profit and Loss Account, and after deducting Specific Reserves in respect of the 1958 contribution to the University of Nigeria £500,000, Reserve for loss on realisation of British Government Securities £500,000 and 1958 Development Grant to the Eastern Region Development Corporation £100,000, the sum of £845,324 remains which has been added to the General Reserve, bringing the final balance to £9,167,330.

### 35. Profit and Loss Account

Interest received from British Government Securities, Government Loans and Bank Deposits, amounted to £366,852, which is added to the Trading Surplus. After deducting Administration Expenses totalling £110,506, Purchase Tax of £1,026,160, and Sundry Charges less adjustments in respect of previous years, a surplus of £1,945,324 was carried to General Reserve Account.

### 36. Trading Account

The trading surplus realised in the year, as shown in each detailed Produce Account was as follows:

				£
Palm Kernels	...	...	...	375,763
Palm Oil	...	...	...	2,311,664
Cocoa	...	...	...	19,568
Soya Beans	...	...	...	177
Total	...	...	...	<u>£2,707,172</u>

There was no trading during the period under review in Bennisseed.

### 37. General

The Board's trading operations during the year were satisfactory. It is gratifying to note that after the heavy loss sustained during the previous year on cocoa a reasonable profit was made during the period under review.

## VIII. CONCLUSION

### 38. General Review

The year 1957, the third year since legislation was first passed setting up the Eastern Regional Marketing Board, has been one of continued steady progress based on experience gained in the previous two years of operation. For the second year in succession the Board enjoyed favourable trading conditions and an overall surplus of £1,945,324 was transformed to General Reserve. Faced with heavy demands on its financial resources very early in its existence, the task of building up and consolidating its finances has been one of the Board's principal aims and there is cause for satisfaction in that so much has been accomplished in so short a time. Mention was made in the Board's Second Annual Report of the fact that the Board's executive offices were established in Port Harcourt during 1956, and 1957 was the first full year of operations carried out from these new offices. The advantages of having the executive organisation in Port Harcourt have been apparent, for apart from facilitating the holding of meetings, contact between the Board's executive, the Produce Inspection Service and licensed buying agents has been facilitated and the efficiency of operations has been improved. In 1957 purchases of oil palm produce, the most important item of produce handled by the Board, were again lower than the previous year although above average. The extent to which this further decline represents a trend is obscured by the effects of the unusually severe rains experienced during the year but there seems to be a slight decline of interest in selling oil palm produce for export. On the other hand, purchases of cocoa in the 1956/57 season indicate that interest in producing this crop for export is growing and production in the Eastern Region should improve still further when new trees come to bear. Producer interest in the minor crops, bennisseed, soya beans and groundnuts seems to be marginal and fluctuates according to the prices offered for local consumption and for other food stuffs. Generally speaking overseas selling prices have been satisfactory, The effects of the political crisis in the Middle East in the later part of 1956 were reflected in the higher market values of oil palm produce for the first six months of 1957. When tension eased and normal market factors reasserted their influence prices fell back to expected

levels but by this time a considerable proportion of the Board's purchases had been sold at the enhanced values. Thus quite contrary to expectation when the 1957 oil palm producer prices had been fixed, the Board's operations in respect of palm oil and palm kernels resulted in a surplus instead of the overall deficit expected and producer prices were for the second year in succession maintained without calling upon stabilisation reserves. On the other hand producer prices for cocoa in the 1956/57 season again called for support from the Board's reserves. Record production in West Africa, combined with a weak demand in consuming countries, kept selling prices well below levels at which the Board could expect to break even on its operations.

Selling prices for the 1957/58 cocoa crop appear to be somewhat better and by the end of 1957 world market values were considerably greater than they had been for some considerable time. Whether these higher values can be maintained depends on numerous factors but it is evident that cocoa selling prices are still subject to violent fluctuations which can be of little value to the producer or the consumer. Until such time as a recognisable and relatively stable market value emerges, lack of confidence felt both in consuming and producing countries will continue to create unsettled conditions. This is a particularly difficult problem for the Marketing Boards whose desire to maintain producer prices at favourable levels for reasonably long periods must be tempered by the thought that a violent fall in selling prices could make excessive inroads on stabilisation reserves. The matter is of particular importance to the Board, which faces growing production in the Region with reserves considerably reduced by the calls made in the past two seasons to support producer prices.

### 39. Acknowledgments

In conclusion, the Board wishes to place on record its appreciation and thanks to all those whose advice, co-operation, assistance and work contributed to the year's achievements. In particular it wishes to thank the members of its Representative Committees, its licensed buying agents, the Produce Inspection Service of the Eastern Region and its Executive—the Federal Department of Marketing and Exports. Acknowledgments are also due to the Nigeria Central Marketing Board and its overseas selling organisation, the Nigerian Produce Marketing Company Limited.

Mr. L. P. Ojukwu, O.B.E., *Chairman*.

The Permanent Secretary, Ministry of Finance.

The Permanent Secretary, Ministry of Commerce.

The Permanent Secretary, Ministry of Agriculture.

Chief N. B. Wokoma-Horsfall.

Mr. J. C. Anyansi.

Prince Eket Inyang-Udoh.

Mr. G. C. N. Akomas.

Mr. C. A. Oputa, B.A.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports.*

## APPENDIX I

MEMORANDUM NO. E.R./57/P.K.

### EASTERN REGIONAL MARKETING BOARD

#### 1957 PALM KERNELS MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" palm kernels for export in the Eastern Region during the period of this Scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of marketing of palm kernels in the Eastern Region. Stocks of 1956 palm kernels held by licensed buying agents will be dealt with in accordance with the instructions issued under the 1956 Palm Kernels Marketing Scheme. Palm kernels purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Duration of Scheme.** The period covered by the 1957 Palm Kernels Marketing Scheme will be from 4th January, 1957 until a closing date to be announced later in the year.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive organisation of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this Section forms part of the Department of Marketing and Exports, it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it will perform in connection with the check-testing of palm kernels at the ports of shipment.

The address of the headquarters of the Department of Marketing and Exports is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

**4. Instructions to Licensed Buying Agents.** (i) *Crop Purchase.* The Department of Marketing and Exports, as the executive of the Regional Marketing Board, will issue to licensed buying agents the necessary detailed instructions regarding:

- (a) Transport Differentials and Subsidies (*see paragraph 10*)
- (b) Purchase and Stock Returns (*see paragraph 11*)
- (c) Standard Pack, Loss in Weight Allowance, Bags and Bag Markings (*see paragraph 14*)
- (d) Payment (*see paragraph 19*)
- (e) Local Sales (*see paragraph 21*)

and all other matters relating to crop purchase and evacuation.

(ii) *Shipment.* The Department of Marketing and Exports, as the executive of the Nigeria Central Marketing Board, will issue to licensed buying agents the necessary detailed instructions regarding:

- (a) Checkweigh (*see paragraph 15*)
- (b) Shipping Instructions and Documents (*see paragraph 16*)

and all other matters relating to export and shipment.

**5. Policy.** The Eastern Regional Marketing Board will purchase through its licensed buying agents all palm kernels of first quality for export. Purchases will be made by the Board on the basis of a fixed naked ex-scale port of shipment buying price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the time when the palm kernels are placed on board ocean-going vessel, or delivered into port transit sheds, or Board Stores in accordance with separate instructions. Palm kernels produced on the plantations of Pamol Ltd. will be taken over by the Board on the same terms as those purchased by licensed buying agents.

**6. Licensed Buying Agents.** The Board's licensed buying agents are:

- African Produce Dealers Ltd.
- Compagnie Francaise de l'Afrique Occidentale
- Eastern Farmers Trading Co. Ltd.
- Eastern Nigerian Co-operative Exporters Ltd.
- Eastern Produce and Transport Co. Ltd.
- Eastern Region Development Corporation (Pioneer Oil Mills)
- D. J. Edoho
- Fraser & Shepherd
- W. E. Griffiths & Co. Ltd.
- John Holt & Co. (Liverpool) Ltd.
- J. O. Ihekwoaba
- Item Merchants Association Ltd.
- A. G. Leventis & Co. Ltd.
- Mandilas & Karaberis Ltd.
- L. O. Okoro & Co. Ltd.
- G. B. Ollivant Ltd.

E. C. I. Onuigbo Sons & Co. Ltd.  
Paterson Zochonis & Co. Ltd.  
Societe Commerciale de l'Ouest Africain  
P. N. Uddoh Trading Co. Ltd.  
The United Africa Co. Ltd.

The Board reserves the right to make additions at any time to the list of firms appointed as licensed buying agents.

**7. Functions of Licensed Buying Agents.** The main functions are:

- (a) To purchase at gazetted buying stations at not less than the minimum prices with reasonable regularity throughout the duration of the scheme at least the minimum tonnages of palm kernels for export as stated in the conditions of appointment of licensed buying agents published by the Eastern Regional Marketing Board for the 1957 Marketing Year.
- (b) To arrange for inspection in accordance with Produce Inspection Regulations and to bag to the standard weight as required by paragraph 14.
- (c) To finance purchases and provide suitable storage until time of shipment.
- (d) To make returns of purchases and stocks as the Board or its duly appointed executive may require.
- (e) To arrange for conveyance to port by approved evacuation routes without delay.
- (f) To comply with regulations and instructions regarding checkweigh and inspection at port.
- (g) To arrange for delivery on board ocean-going vessel or into port transit sheds or Board Stores in accordance with such instructions as may be issued from time to time by the Department of Marketing and Exports.
- (h) To hand immediately on completion shipping documents as required duly completed to the Department of Marketing and Exports.

**8. "First Quality" Palm Kernels** (*see paragraph 1*). "First Quality" palm kernels are defined as palm kernels containing less than 4 per centum by weight of shell, fibre, rotten or decayed kernels and/or extraneous matter, and which are thoroughly dry and hard.

**9. Buying Price.** The basic price is £30 per ton naked ex-scale port of shipment. The minimum prices payable at gazetted buying stations up-country are based on the naked ex-scale port of shipment price less the appropriate cost of transportation by the approved normal route.

**10. Transport Differentials and Subsidies.** Transport differentials are fixed on the basis of evacuation by the most practical and expeditious routes. Details of these differentials will be issued in a separate Circular Instruction.

**11. Purchase and Stock Returns.** Details of returns which licensed buying agents will be required to render will be issued in a separate Circular Instruction.

**12. Responsibility for Loss and/or Damage.** Licensed buying agents will normally be required to bear any losses resulting from theft, leakage of bags or damage to palm kernels incurred from time of purchase to time of placing on board ocean-going vessel or delivery into port transit sheds or Board Stores in accordance with such instructions as may be issued from time to time. Cost of insurance against such risks is included as an item in the buying allowance payable to licensed buying agents.

**13. Deterioration.** In normal circumstances there should be no deterioration in the quality of palm kernels which have been inspected and passed for export. If checktests at port reveal that a parcel of palm kernels is not of "First Quality" the licensed buying agent will be required to clean the parcel at his own expense until it is found to be of "First Quality." If, for any reason it is found impossible to refine the parcel to "First Quality" standard, the Board may offer to purchase the parcel at such a price as it may determine having regard to the quality and the circumstances of the case. Where deterioration may have occurred through no fault of the licensed buying agent, the issue of a deterioration certificate will be considered by the Director of the Eastern Regional Produce Inspection Service at the licensed buying agent's written request. Deterioration certificates will only be issued where the licensed buying agent satisfies the issuing authority that the deterioration is not the result of failure to take all reasonable precautions to prevent deterioration during storage and transit, or other negligence on his part or on the part of any agent employed by him.

Any deterioration resulting from delay in evacuating palm kernels to port will be regarded as attributable to negligence on the part of the licensed buying agent and no deterioration certificate will be issued unless the buying agent can provide a thoroughly satisfactory reason for failure to evacuate promptly, and where exceptional evacuation difficulties were encountered the licensed buying agent concerned reported the facts immediately to the Department of Marketing and Exports, or its authorised agent. Where evacuation difficulties are encountered, the licensed buying agent is responsible for reporting the facts to the Department of Marketing and Exports, Port Harcourt, in order that steps may be taken to bring about an improvement or to provide an alternative means of evacuation.

**14. Standard Pack, Loss in Weight Allowance, Bags and Bag Markings.** All palm kernels will be packed in new bags of at least "B" twill quality to a standard pack of 185 lb. gross (tare  $2\frac{1}{2}$  lb. per bag). A franchise to cover loss in weight between time of purchase and time of shipment will be granted as follows :

- (a) On purchases made at stations evacuating to Port Harcourt: 3.5 lb. per net standard pack of 182.5 lb.
- (b) On purchases made at stations evacuating to Warri, Burutu, Calabar and Abonnema: 4 lb. per net standard pack of 182.5 lb.

The allowance for bags in the block buying allowance provides for the use of *new bags only*.

The Board reserves the right to re-introduce the use of second-hand bags in the course of the scheme if the bag supply prospects deteriorate. Due notice of any such change will be given to licensed buying agents. The necessary instructions regarding the marks to be placed on bags containing palm kernels will be given in a separate Circular Instruction.

**15. Checkweighing.** All parcels of palm kernels will be subject to checkweighing before shipment in accordance with instructions issued by the Department of Marketing and Exports as the Executive of the Nigeria Central Marketing Board.

**16. Shipping Instructions and Documents.** The Department of Marketing and Exports, as the Executive of the Nigeria Central Marketing Board, will issue shipping instructions to licensed buying agents. Details regarding shipping documents required will also be issued in a separate Circular Instruction by the Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board.

**17. Shipping Expenses.** The Department of Marketing and Exports will pay direct export duty, harbour dues, lightage and wharfage on behalf of the Nigeria Central Marketing Board.

**18. Buying Allowance.** A block buying allowance per ton, details of which will be announced shortly in a separate Circular Instruction, is granted to licensed buying agents to cover profit and all expenses involved in performing the functions detailed in paragraph 7 of this Memorandum. The expenses consist mainly of:

- (a) Cost of new bags of at least "B" twill quality.
- (b) Overhead expenses (including bagging and handling).
- (c) Cost of interest and suitable storage.
- (d) Cost of insurance against all risks up to delivery on board ocean-going vessel or into port transit sheds or Board Stores with the exception of those risks generally specified by the companies as excluded under the terms of their policies.

The following are the excepted risks for which the Board is prepared to assume responsibility:

War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and Losses arising directly out of Riot, Lock-outs, Labour Disturbances and Civil Commotions.

Marine Risks directly arising out of transfers from shallow to deep water ports will be borne by the Board provided that:

- (a) such transfers have been programmed and notified to the Department of Marketing and Exports and are carried on an intermediate bill of lading;
- (b) all relevant completed documents necessary to a claim being made under the Board's insurance cover have been submitted by the

licensed buying agent within reasonable time to the Department of Marketing and Exports.

**19. Payment.** Detailed instructions regarding payment will be issued separately as a Circular Instruction.

**20. Extraordinary Expenses.** In the event of licensed buying agents being forced to incur serious extraordinary expenses through circumstances beyond their control, they should make representations through the Department of Marketing and Exports to the Board with a view to the recovery of such expenses provided that the Board's prior approval had been obtained to incur such expenses.

**21. Local Sales.** All applications for local sales of palm kernels purchased for export should be addressed to the Department of Marketing and Exports, Lagos, as agent of the Board. No licensed buying agent may make local sales of palm kernels purchased for export without the expressed approval of the Department of Marketing and Exports acting as agents of the Board.

Port Harcourt, *22nd December, 1956*

L. P. OJUKWU

*Chairman, Eastern Regional Marketing Board.*

73300/S.2.

Dist. List: ERMB/PK.

*Issued on behalf of the Eastern Regional Marketing Board by  
the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX II

MEMORANDUM No. E.R./57/S.P.O.

### EASTERN REGIONAL MARKETING BOARD

#### 1957 SPECIAL GRADE PALM OIL MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase Special Grade palm oil in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs, which supersede all previous instructions on the marketing of Special Grade palm oil in the Region. Stocks of 1956 Special Grade palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1956 Special Grade Palm Oil Marketing Scheme.

Special Grade palm oil purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Duration of the Scheme.** The period covered by the 1957 Special Grade Palm Oil Marketing Scheme will be from 4th January, 1957 until a closing date to be announced later in the year.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive organisation of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this Section forms part of the Department of Marketing and Exports it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it will perform after palm oil has been delivered to the bulk oil plants.

The address of the headquarters of the Department of Marketing and Exports is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

4. **Policy.** The Eastern Regional Marketing Board will purchase through its licensed buying agents all Special Grade palm oil for export in accordance

with the terms of this Memorandum. Purchases will be made by the Board on the basis of the minimum naked ex-scale bulk oil plant price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the time of delivery to bulk oil plant.

**5. Licensed Buying Agents.** The Board's licensed buying agents are :

African Development Corporation Ltd.  
African Pioneer Co. Ltd.  
African Produce Dealers Ltd.  
O. Archibong  
Benson Ibeawuchi's Produce Buying Agency  
S. M. Bleasby  
P. A. Breedy  
Chima Brothers and Sons Ltd.  
Compagnie Francaise de l'Afrique Occidentale  
Eastern Farmers Trading Co. Ltd.  
Eastern Nigerian Co-operative Exporters Ltd.  
Eastern Produce and Transport Co. Ltd.  
Eastern Region Development Corporation (Pioneer Oil Mills)  
D. J. Edoho  
E. O. U. Eronini  
Fraser & Shepherd  
W. E. Griffiths & Co. Ltd.  
John Holt & Co. (Liverpool) Ltd.  
J. O. Ihekwoaba  
Item Merchants Association Ltd.  
G. N. Kanu & Sons  
A. G. Leventis & Co. Ltd.  
G. A. Logios  
T. N. Madu, Sons & Co. Ltd.  
Mandilas & Karaberis Ltd.  
F. O. Mbadiwe & Sons Ltd.  
J. I. Nwosu  
Ndianiche Merchants Association Ltd.  
Z. C. Obi, Sons & Co. Ltd.  
Okereke Bros. Ltd.  
L. O. Okoro & Co. Ltd.  
G. B. Ollivant Ltd.  
E. C. I. Onuigbo Sons & Co. Ltd.  
Palm and Copra Merchants Co.  
Paterson Zochonis & Co. Ltd.  
Societe Commerciale de l'Quest Africain  
P. N. Uddoh Trading Co. Ltd.  
Umuahia Ibeku Trading Co.  
The United Africa Co. Ltd.  
United Nnewi Transport Co.

The Board reserves the right to make additions at any time to the list of firms appointed as licensed buying agents.

**6. Functions of Licensed Buying Agents.** The main functions are:

- (a) To purchase at gazetted buying stations at not less than the minimum gazetted prices; and with reasonable regularity throughout the duration of the scheme.
- (b) To arrange for inspection in accordance with the Produce Inspection Regulations and to provide necessary containers and storage.
- (c) To make such returns of purchases and stocks as the Board or its duly authorised executive may require.
- (d) To arrange for approved conveyance to the bulk oil installation concerned.

**7. Instructions to Licensed Buying Agents. Crop Purchase.** The Department of Marketing and Exports as the Executive of the Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Transport Differentials (see paragraph 10)
- (b) Purchase and Stock Returns (see paragraph 11)
- (c) Payment (see paragraph 17)
- (d) Local Sales (see paragraph 19)

and all other matters relating to the purchase and evacuation of Special Grade palm oil.

**8. Special Grade Palm Oil.** Special Grade palm oil is defined as palm oil not exceeding  $3\frac{1}{2}$  per cent f.f.a. at time of purchase and containing less than 2 per centum by weight of water and extraneous substance and is free from any adulterant. The full definition of Special Grade palm oil is published in Eastern Regional Notice No. 833 in the *Eastern Region of Nigeria Gazette* No. 57 of 1st December, 1955.

**9. Buying Price.** The basic price is £50 per ton naked ex-scale at bulk oil plant.

**10. Transport Differentials.** Transport differentials are fixed on the basis of evacuation by the most practical routes. Details of differentials applicable to each buying station will be issued in a separate Circular Instruction.

**11. Purchase and Stock Returns.** Details of the returns which licensed buying agents will be required to render will be given in a separate Circular Instruction to be issued by the Department of Marketing and Exports.

**12. Evacuation.** Licensed buying agents must arrange to evacuate Special Grade palm oil to bulk oil plants as quickly as possible, and in the order in which it passes the Produce Inspection test. If exceptional difficulties are encountered it is the duty of the licensed buying agents concerned to advise the nearest office of the Department of Marketing and Exports immediately so that any necessary steps to effect an improvement or to arrange alternative means of evacuation may be taken.

**13. Responsibility for Losses.** Licensed buying agents will normally be required to bear any losses from theft or damage incurred between time of

purchase and time of delivery to bulk oil plant. The buying allowance covers the cost of insurance against such risks (see paragraph 16) incurred between time of purchase and time of delivery to bulk oil plant. Any loss of containers by theft or other causes, from bulk oil plants will be the sole responsibility of licensed buying agents. Claims for such losses will not be entertained by the Board.

**14. Delivery of Special Grade Palm Oil to Bulk Oil Plants.** Where authority has been given for Special Grade palm oil to be bulked, each bulk oil plant will, so far as is practicable, take delivery of the oil bought by the licensed buying agents *pro rata* to their stocks available for bulking at that installation. In this connection, *prompt and accurate declarations of purchases and stocks* are essential and are in the interests of the licensed buying agents if an equitable bulking allocation is to be made. Each bulk oil plant manager in co-operation with the local shipping officer of the Department of Marketing and Exports and the local Bulk Allocation Committee, where one exists, will arrange the programme of bulking to fulfil shipping commitments. Each licensed buying agent will be advised of the quantity of the oil to be delivered to the bulk oil plant. The responsibility for the oil at the bulk oil plant rests with the licensed buying agents until it is tallied, tested and weighed into bulk oil plant. Licensed buying agents are responsible for the speedy removal of containers after bulking. The Board reserves the right to levy a storage charge in cases where drums remain at bulk oil plant after seven days from the date of bulking.

**15. Ascertainment of Weights and Quality.** Licensed buying agents are responsible for informing the Eastern Regional Produce Inspection Service Staff whenever a quantity of Special Grade oil is ready for inspection. The Regional Produce Inspection Staff will then carry out the quality test and if the oil passes the quality test it will be sealed in the normal manner for delivery to the bulk oil plant. The Regional Produce Inspection Staff will not at any time carry out the checktest at the station of origin for f.f.a. content. Licensed buying agents will be entirely responsible for the quality of oil up to time of delivery to bulk oil plant. On delivery into bulk oil plant the oil will be weighed and a sealed sample will be taken conjointly by the licensed buying agent and the bulk oil plant.

Samples will be tested for f.f.a. and impurities. In the event of dispute the sealed sample will be tested by an independent party. Claims for retest must be made within fourteen days of the original test and such retest will be final. The nett weight obtained from the weighing carried out at the bulk oil plant will form the basis for provisional payment.

**16. Buying Allowance.** A block buying allowance will be paid to licensed buying agents to cover profit and expenses involved in performing the functions mentioned in paragraph 6 of this Memorandum and to cover the risk of loss in weight.

The expenses consist mainly of:

- (a) Depreciation/Use of containers;
- (b) Overhead expenses;

- (c) Cost of interest and storage;
- (d) Cost of insurance against all risks from the time of purchase up-country to the moment when the oil is decanted from containers at the bulk oil plant, with the exception of those risks generally specified by the insurance companies as excluded under the terms of their policies.

The following are the excepted risks for which the Board is prepared to assume responsibility:

War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour disturbances and Civil Commotions.

Details of the 1957 buying allowances will be issued in a separate Circular Instruction.

**17. Payment.** Licensed buying agents will receive provisional payment on delivery of Special Grade oil to bulk oil plants.

Records will be kept of the f.f.a. content at time of bulking at each bulk oil plant as ascertained by the procedure described in paragraph 15 above. On the basis of these records the weighted average f.f.a. content of a licensed buying agent's deliveries during each week of the Marketing Year, commencing 4th January, 1957 will be determined separately in respect of each bulk oil plant. In cases where the weighted average f.f.a. content for a weekly period at an individual bulk oil plant outturns at more than 5.0 per cent f.f.a., all Special Grade oil delivered during that week to the bulk oil plant concerned will be paid for at the rate of £38 per ton. In cases where the weighted average f.f.a. content at an individual bulk oil plant outturns at more than 4.5 per cent but not more than 5.0 per cent f.f.a. a penalty graduated according to the extent of the excess above 4.5 per cent f.f.a. will be imposed on the licensed buying agent concerned in respect of his total deliveries of Special Grade oil during that weekly period. Where exceptional circumstances entirely beyond the control of the licensed buying agent are responsible for an abnormal set up in the f.f.a. content of a particular parcel of Special Grade oil e.g. excessive delay in evacuation, a licensed buying agent may make representations to the Regional Office of the Department with a view to obtaining authority for the f.f.a. content of that particular parcel to be excluded from the calculations used in determining the weighted average f.f.a. content for the weekly delivery concerned. At the end of each four weekly period the weighted average content of all deliveries to a particular bulk oil plant will be computed. If the weighted average f.f.a. content so determined averages 4.5 per cent or less any penalty applied in earlier weeks of that period will be repaid but if the weighted average is above 4.5 per cent and not more than 5 per cent, penalty at the appropriate rate will be applied to all deliveries during the four weekly period and any adjustments necessary to bring earlier penalty payments into line with the four weekly weighted average will be made. In the event of a weighted average f.f.a. content for the four weekly period of 5.1 per cent or above payment for all

deliveries during that particular period will be adjusted so as to be paid for at the rate of £38 per ton. For the purposes of this Scheme the first four weekly period will extend from 4th January, 1957 to 31st January, 1957 (four bulking periods each of one week) and consecutively thereafter. No adjustment between one four weekly period and another will be made.

Detailed instructions regarding payment will be issued in a separate Circular Instruction.

**18. Extraordinary Expenses.** In the event of a licensed buying agent being forced by circumstances beyond his control to incur serious extraordinary expenses, he should make representations through the Regional Office of the Department of Marketing and Exports to the Board with a view to the recovery of such additional expenses provided that the Board's prior approval had been obtained to incur such expenses.

**19. Local Sales.** Application for authority to supply any local consumer with stocks of Special Grade Palm Oil purchased on behalf of the Board must be made to the Regional Office of the Department of Marketing and Exports. Where such approval has been given, licensed buying agents will advise regularly the Regional Office of the Department of Marketing and Exports the quantity of oil delivered against any such sales.

L. P. OJUKWU,

*Chairman, Eastern Regional Marketing Board*

Port Harcourt, 22nd December, 1956

74305/S.2.

Dist. List: ERMB/P.O.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX III

MEMORANDUM NO. E.R./57/T.P.O.

### EASTERN REGIONAL MARKETING BOARD

#### 1957 TECHNICAL PALM OIL MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" palm oil for export in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of palm oil marketing in the Region. Stocks of 1956 palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1956 Technical Palm Oil Marketing Scheme.

Palm oil purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Duration of Scheme.** The period covered by the 1957 Technical Palm Oil Marketing Scheme will be from 4th January, 1957 until a closing date to be announced later in the year.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this Section forms part of the Department of Marketing and Exports it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it may perform after palm oil has been delivered to the bulk oil plants.

The address of the headquarters of the Department of Marketing and Exports is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

**4. Policy.** The Eastern Regional Marketing Board will purchase through its licensed buying agents all "First Quality" palm oil for export. Purchases will be made by the Board on the basis of minimum naked ex-scale bulk oil plant prices, and the Board will utilise the services of its licensed buying agents from time of purchase to time of delivery to bulk oil plant.

**5. Licensed Buying Agents.** The Board's licensed buying agents are:

African Development Corporation Ltd.  
African Pioneer Co. Ltd.  
African Produce Dealers Ltd.  
O. Archibong  
Benson Ibeawuchi's Produce Buying Agency  
S. M. Bleasby  
P. A. Breedy  
Chima Brothers and Sons Ltd.  
Compagnie Francaise de l'Afrique Occidentale  
Eastern Farmers Trading Co. Ltd.  
Eastern Nigerian Co-operative Exporters Ltd.  
Eastern Produce and Trading Co. Ltd.  
Eastern Region Development Corporation (Pioneer Oil Mills)  
D. J. Edoho  
E. O. U. Eronini  
Fraser & Shepherd  
W. E. Griffiths & Co. Ltd.  
John Holt & Co. (Liverpool) Ltd.  
J. O. Ihekwoaba  
Item Merchants Association Ltd.  
G. N. Kanu & Sons  
A. G. Leventis & Co. Ltd.  
G. A. Logios  
T. N. Madu, Sons & Co. Ltd.  
Mandilas & Karaberis Ltd.  
F. O. Mbadiwe & Sons Ltd.  
J. I. Nwosu  
Ndianiche Merchants Association Ltd.  
Z. C. Obi, Sons & Co. Ltd.  
L. O. Okoro & Co. Ltd.  
Okereke Brothers Ltd.  
G. B. Ollivant Ltd.  
E. C. I. Onuigbo, Sons & Co. Ltd.  
Palm and Copra Merchants Co.  
Paterson Zochonis & Co. Ltd.  
Societe Commerciale de l'Ouest Africain  
P. N. Uddoh Trading Co. Ltd.  
Umuahia Ibeku Trading Co.  
The United Africa Co. Ltd.  
United Nnewi Transport Co.

The Board reserves the right to make additions at any time to the list of firms appointed as licensed buying agents.

**6. Functions of Licensed Buying Agents.** The main functions are:

- (a) To purchase palm oil at gazetted buying stations at not less than the minimum prices and with reasonable regularity throughout the duration of the scheme.
- (b) To arrange for inspection in accordance with Produce Inspection Regulations and to provide the necessary containers and storage.
- (c) To test and grade oil on purchase.
- (d) To make such returns of purchases and stocks as the Board or its executive may require.
- (e) To arrange for conveyance to bulk oil plant installations by approved routes and to agree weights and quality on delivery with the Board's bulking agents.

**7. Instructions to Licensed Buying Agents.** The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary detailed instructions regarding:

- (a) Transport Differentials (see paragraph 11)
- (b) Purchase and Stock Returns (see paragraph 12)
- (c) Payment (see paragraph 18)
- (d) Local Sales in Casks and Drums (see paragraph 20)

**8. First Quality Palm Oil** (see paragraph 1). "First Quality" palm oil is defined as palm oil for export containing less than two per centum by weight of water and extraneous substance and is free from any adulterant.

**9. Technical Palm Oil Grades.** The free fatty acid content of palm oil at time of its purchase by licensed buying agents determines the grade.

These grades are as follows:

*Percentage of Free Fatty Acid*

Grade I ...	...	Not more than 9 per cent.
Grade II	...	More than 9 per cent but not more than 18 per cent.
Grade III	...	More than 18 per cent but not more than 30 per cent.

**10. Buying Prices.** The basic naked ex-scale bulk oil plant prices per ton are as follows:

						£
Grade I	...	...	...	...	...	38
Grade II	...	...	...	...	...	28
Grade III	...	...	...	...	...	20

**11. Transport Differentials.** Transport differentials are fixed on the basis of evacuation by the most practical routes. Details of differentials applicable to each buying station will be issued by the Department of Marketing and Exports in a separate Circular Instruction.

**12. Purchase and Stock Returns.** Details of the returns which licensed buying agents will be required to render to the Board's Executive will be given in a separate Circular Instruction to be issued by the Department of Marketing and Exports.

**13. Evacuation.** Licensed buying agents must arrange to evacuate palm oil to bulk oil plants without delay and in the order that it has been purchased. This is in their own interests as any undue delay is likely to increase the set-up of free fatty acid and ultimately involve payment of the penalty imposed under the payment arrangements of the Board (see paragraph 18).

If exceptional difficulties are encountered in moving palm oil stocks to the bulk oil plant concerned, it is the duty of the licensed buying agent to advise the nearest office of the Department of Marketing and Exports immediately, so that any necessary steps to effect an improvement or to arrange alternative means of evacuation may be taken.

**14. Responsibility for Losses.** Licensed buying agents will normally be required to bear any losses from theft or damage incurred between time of purchase and time of delivery to bulk oil plant. The buying allowance covers the cost of insurance against such risks (see paragraph 17) incurred between time of purchase and time of delivery to bulk oil plant. Any loss of containers by theft or other causes from the bulk oil plant will be the sole responsibility of licensed buying agents. Claims for such losses will not be entertained by the Board.

**15. Delivery to Bulk Oil Plants.** Each bulk oil plant will, so far as is practicable, take delivery of the oil bought by licensed buying agents *pro rata* to their stocks available for bulking at that installation. In this connection *prompt and accurate declarations of purchases and stocks are essential* and are in the interests of the licensed buying agents if an equitable bulking allocation is to be made. Each bulk oil plant manager in co-operation with the local shipping officer of the Department of Marketing and Exports and the local Bulking Allocation Committee where one exists, will arrange the programme of bulking to fulfil shipping commitments. Each licensed buying agent will be advised of the quantity and category of the oil to be delivered to the bulk oil plant. The responsibility for the oil at the bulk oil plant rests with the licensed buying agent until it is tallied, tested and weighed into bulk oil plant. *Licensed buying agents are responsible for the speedy removal of containers after bulking.* The Board reserves the right to levy a storage charge in cases where drums remain at bulk oil plants after seven days from the date of bulking.

**16. Ascertainment of Weights and Quality.** On delivery into bulk oil plant the oil will be weighed and a sealed sample will be taken conjointly by the licensed buying agent and the bulk oil plant. Samples will be tested for free fatty acid and impurities. In the event of a dispute the sealed sample will be tested by an independent party. Claims for retest must be made within fourteen days of the original test and such retest will be final.

**17. Buying Allowance.** A block buying allowance will be paid to licensed buying agents to cover profit and expenses involved in performing the functions mentioned in paragraph 7 of this Memorandum and to cover the risk of loss in weight.

The expenses consist mainly of:

- (a) depreciation/use of containers.
- (b) Overhead expenses.
- (c) Cost of interest and storage.
- (d) Cost of insurance against all risks from time of purchase up-country to the moment when the oil is decanted from the containers at the bulk oil plant with the exception of those risks generally specified by the insurance companies as excluded under the terms of their policies.

The following are the excepted risks for which the Board is prepared to assume responsibility:

War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lockouts, Labour Disturbances and Civil Commotions.

Details of the 1957 buying allowances will be issued in a separate Circular Instruction.

**18. Payment.** Licensed buying agents will receive provisional payment on delivery of technical palm oil to bulk oil plants according to declared grade at time of purchase.

Records will be kept of the free fatty acid content at time of bulking at each bulk oil plant as ascertained under the procedure described in paragraph 16 above. On the basis of these records the weighted average free fatty acid content of a licensed buying agent's deliveries of each grade of oil will be separately determined in respect of each bulk oil plant. In cases where the weighted average free fatty acid content of a particular grade at an individual bulk oil plant exceeds the upper limits prescribed for that grade in paragraph 9 of this Memorandum by more than  $2\frac{1}{2}$  per cent (the agreed allowance for set up between time of purchase and time of delivery to bulk oil plant), a penalty graduated according to the extent of the excess will be imposed on the licensed buying agent concerned in respect of his total deliveries of that grade to the bulk oil plant in question during the appropriate three monthly delivery period.

Detailed instructions regarding payment will be issued in a separate Circular Instruction.

**19. Extraordinary Expenses.** In the event of a licensed buying agent being forced by circumstances beyond his control to incur serious extraordinary expenses, he should make representations through the Regional Office of the

Department of Marketing and Exports to the Board with a view to the recovery of such additional expenses provided that the Board's prior approval had been obtained to incur such expenses.

**20. Local Sales.** Applications for authority to supply any local consumer from stocks of palm oil purchased on behalf of the Board must be made to the Regional Office of the Department of Marketing and Exports. Where such approval has been given licensed buying agents concerned will regularly advise the Regional Office of the Department of Marketing and Exports of the quantities of oil delivered against any such sales.

Port Harcourt, *22nd December, 1956*

L. P. OJUKWU

*Chairman, Eastern Regional Marketing Board.*

74300/S.2.

Dist. List: ERMB/P.O.

*Issued on behalf of the Eastern Regional Marketing Board by  
the Department of Marketing and Exports, Lagos, Port Harcourt.*

## APPENDIX IV

MEMORANDUM No. E.R./5758/C.

### EASTERN REGIONAL MARKETING BOARD

#### COCOA MARKETING SCHEME: 1957/58

1. The Eastern Regional Marketing Board, established under the Eastern Regional Marketing Board Law (No. 5 of 1954), will purchase the 1957/58 cocoa crop in the Eastern Region in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of cocoa marketing in the Region. Any stocks of 1956/57 cocoa held by licensed buying agents will be dealt with in accordance with the existing instructions issued by or on behalf of the Eastern Regional Marketing Board for the 1956/57 cocoa season.

Cocoa purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Season.** The Buying season will open on the 6th September 1957 and will continue until a date in 1958 to be announced later.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this section forms part of the Department of Marketing and Exports it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it will perform in connection with the checktesting of cocoa at the ports of shipment. The address of the headquarters of the Department of Marketing and Exports is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Works Road,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

**4. Instructions to Licensed Buying Agents.** (a) *Crop Purchases.* The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Transport Differentials and Subsidies (see paragraph 12)
- (b) Purchase and Stock Returns (see paragraph 13)
- (c) Marking of Bags (see paragraph 21)
- (d) Payment Arrangements (see paragraph 23)
- (e) Purchase Tax (see paragraph 24)

and all other matters relating to crop purchases and evacuation.

(b) *Shipment.* The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Checkweighing (see paragraph 18)
- (b) Shipping Instructions and Documents (see paragraph 19)

and all other matters relating to export and shipment.

**5. Policy.** The Eastern Regional Marketing Board will purchase cocoa for export through its licensed buying agents in accordance with the terms of this memorandum. Purchases will be made by the Board on the basis of a fixed naked ex-scale port of shipment buying price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the moment when the cocoa is placed on board ocean-going vessel in accordance with separate instructions. Licensed buying agents will be required to purchase with reasonable regularity throughout the season at least the minimum tonnages of cocoa for export stated in the conditions of appointment of licensed buying agents published by the Eastern Regional Marketing Board for the 1957/58 season.

**6. Licensed Buying Agents.** The Board's licensed buying agents are:

- Eastern Nigeria Co-operative Exporters, Ltd.
- G. B. Ollivant, Ltd.
- John Holt & Co. (Liverpool) Ltd.
- The United Africa Co. Ltd.

The Board reserves the right to appoint additional licensed buying agents during the period covered by this scheme.

**7. Functions of Licensed Buying Agents.** The main functions are:

- (a) To purchase at buying stations at not less than the minimum prices.
- (b) To arrange for inspection in accordance with the regulations and to bag to the standard weight as required by paragraph 17.
- (c) To finance purchases and provide suitable storage until time of shipment.
- (d) To make returns of graded purchases and graded stocks as the Board or its duly authorised executive may require.

- (e) To arrange for conveyance to port by approved routes without delay.
- (f) To comply with regulations and instructions regarding checkweighing and inspection at ports.
- (g) To arrange for delivery to ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports.
- (h) To hand without delay shipping documents as required to the Department of Marketing and Exports.
- (i) To insure against all risks, except risks as specified in paragraph 16 up to the time of shipment on board ocean-going vessel in accordance with Board instructions.

**8. Standard Cocoa (Main Crop) and Light Cocoa (Light Crop).** Cocoa of standard weight, i.e. of which a sample of 300 beans weighs eleven ounces or more will be purchased throughout the season and will be treated as Main Crop. Light weight cocoa, defined as cocoa of which a sample of 300 beans weighs less than eleven ounces, will also be purchased throughout the season and treated as Light Crop.

**9. Cocoa Grades.** The cocoa grades applicable to the 1957/58 season are as defined in Eastern Regional Notice No. 246 published in the *Eastern Region of Nigeria Gazette* No. 16 of 7th April, 1955 as amended by Eastern Regional Notice No. 739 in the *Eastern Region of Nigeria Gazette* No. 47 of 30th August, 1956.

**10.** Cocoa of a quality inferior to Grade II will not be purchased by licensed buying agents.

**11. Buying Prices.** The minimum buying prices for the 1957/58 season will be based on the following naked ex-scale port of shipment prices per net ton:

	<i>Standard Cocoa</i>			<i>Light Cocoa</i>		
	<i>(Main Crop)</i>			<i>(Light Crop)</i>		
	£			£		
Grade I ... ..	...	...	146	...	...	146
Grade II ... ..	...	...	131	...	...	131

The ports of shipment are Port Harcourt, Abonema and Calabar.

The minimum prices payable at gazetted up-country buying stations in the Eastern Region will be published in the *Eastern Region of Nigeria Gazette* before the season opens. Buying station prices will be based on the above naked ex-scale port of shipment prices less the cost of transport by the approved normal means of evacuation.

**12. Transport Differentials and Subsidies.** Transport differentials will be fixed on the basis of evacuation by the normal route. Transport subsidies will be paid if necessary to enable evacuation by approved alternative routes

with the object of avoiding deterioration by making the maximum use of road transport. Details will be given in a separate Circular Instruction.

**13. Purchase and Stock Returns.** Details of the returns which licensed buying agents will be required to render will be given in a separate Circular Instruction.

**14. Quality.** Buying agents are responsible for ensuring that the cocoa which they offer to the Board is actually of the quality which they represent it to be as indicated by the grade marks. Under the Sale of Goods Act, 1893 where goods are described by the contract and the buyer contracts in reliance on that description, there is a sale by description. Section 13 of the Act provides that where there is a contract for the sale of goods by description there is an implied condition that the goods shall correspond with the description.

Attention is also invited to section 32 of the Produce Inspection Ordinance, 1950, which provides that a grading is not conclusive evidence of quality. In this connection the special arrangements to limit the liability of licensed buying agents introduced during the 1948/49 season will be continued. Under these arrangements buying agents will be responsible for requesting check-testing by "nominated" check-testers of the Eastern Regional Produce Inspection Service as soon as possible after, and normally at the store of, original grading. The results of such check-test by "nominated" check-testers will be accepted as evidence of quality by the Eastern Regional Marketing Board. If, on subsequent check-test at port or elsewhere, the cocoa is found to be of a lower grade than that established by the "nominated" check-test, then provided the buying agent and all persons operating on his behalf have taken all normal precautions to prevent deterioration, the buying agent concerned will be entitled to apply to the appropriate officer of the Eastern Regional Produce Inspection Service for the issue of a Deterioration Certificate (see paragraph 15). The final check-test immediately prior to shipment will be carried out by the Federal Produce Inspection Service.

**15. Deterioration.** Buying agents will be required to bear any loss in value resulting from deterioration of cocoa between time of check-test by "nominated" check-tester and time of shipment on board ocean-going vessel except where deterioration has occurred through no fault of the buying agent or any agent employed by him. In such cases, the issue of a Deterioration Certificate will be considered by the Eastern Regional Produce Inspection staff at the buying agent's request.

Deterioration Certificates will only be issued where the licensed buying agent satisfies the issuing authority that the deterioration is not the result of failure to take all reasonable precautions to prevent deterioration during storage and transit or other negligence on his part. In this connection it is emphasised that parcels of cocoa must be evacuated for shipment from each buying station in the order in which they are bought; if cocoa purchased early in the season is held in store longer than cocoa purchased subsequently and deteriorates, unless there are any special considerations to be taken into

account, no Deterioration Certificate will be issued. In order to assist licensed buying agents, bags of cocoa will be stamped by the Eastern Regional Produce Inspection staff with a numbered stamp which will indicate the week of the season in which the contents of the bag were graded.

It is essential that cocoa should be evacuated to port as soon as possible unless otherwise instructed and any deterioration resulting from delay in evacuating cocoa to port will be regarded as attributable to negligence on the part of the buying agent and no Deterioration Certificate will be issued unless the buying agent can provide a thoroughly satisfactory reason for failure to evacuate promptly. If exceptional evacuation difficulties are encountered it is the duty of the licensed buying agent concerned to inform the Regional Office of the Department of Marketing and Exports immediately so that any necessary steps to effect an improvement or provide an alternative means of evacuation can be taken.

In all cases of deterioration and subsequent downgrading buying agents must ensure that the purchases and stock returns which they render to the Board's executive are amended accordingly. In cases of downgrading to No Grade buying agents must also apply immediately to the Board's executive for instructions regarding disposal.

**16. Loss and Damage: Insurance.** Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessel in accordance with separate instructions with the exception of those risks generally specified by the Insurance Companies as excluded under the terms of their policies. The following are the excepted risks for which the Board is prepared to assume responsibility:

War, Invasion, Acts of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour Disturbances and Civil Commotions.

Allowance to cover cost of insurance required by licensed buying agents is included in the block buying allowance.

**17. Standard Pack and Loss in Weight.** All cocoa shall be bagged in new bags of at least "B" twill quality to a standard pack of  $142\frac{1}{4}$  lb. gross (tare  $2\frac{1}{4}$  lb. per bag). An allowance of 1 lb. per bag is granted for loss in weight between time of purchase and time of shipment.

**18. Checkweighing.** All parcels of cocoa will be subject to 100 per cent checkweighing in accordance with the procedure stated in a separate Circular Instruction to be issued by the Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board. If checkweighing discloses that the weight of any one bag is less than  $141\frac{1}{4}$  lb. gross (i.e. the standard pack of  $142\frac{1}{4}$  lb. gross less 1 lb. franchise for loss in weight) the bag concerned will be returned to the licensed buying agent for standardisation.

**19. Shipping Instructions and Documents.** The Department of Marketing and Exports, as the executive of the Nigeria Central Marketing Board will issue shipping instructions to the licensed buying agents. As soon as the Shipping Company or their authorised Agent calls forward the tonnage allocated to licensed buying agents the necessary sets of Bills of Lading will be raised and presented to the Shipping Company by the licensed buying agents concerned.

The consignor shown on the Bills of Lading will be the Nigeria Central Marketing Board; shipping instructions will state the name of the consignee. The weights to be shown on the Bills of Lading will be calculated by regarding sixteen bags as weighing one ton net plus 40 lb. for tare.

**20. Produce Inspection Fees and Shipping Expenses.** Produce Inspection fees, Export Duty, Harbour Dues, Wharfage and Lighterage, will be paid direct by the Department of Marketing and Exports as the executive organisation of the Marketing Boards.

**21. Marking of Bags.** The necessary instructions regarding the marks to be placed on the bags containing cocoa will be given in a separate Circular Instruction.

**22. Buying Allowances.** The amount of the buying allowance fixed for the 1957/58 season will be announced shortly in a separate Circular Instruction.

**23. Payment.** The necessary instructions regarding the method of payment will be given in a separate Circular Instruction.

**24. Purchase Tax.** Purchase Tax on Produce will form the subject of a separate Circular Instruction.

**25. Extraordinary Expenses.** In the event of licensed buying agents being forced, through circumstances beyond their control, to incur serious extraordinary expenses, they should make representations to the Department of Marketing and Exports, with a view to the recovery of such additional expenses, provided that the Board's prior approval has been obtained to incur such expenses.

L. P. OJUKWU

*Chairman, Eastern Regional Marketing Board.*

Port Harcourt, 16th August, 1957.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX V

MEMORANDUM NO. E.R./5758/B.

### EASTERN REGIONAL MARKETING BOARD

#### 1957/58 BENNISEED MARKETING SCHEME

1. The Eastern Regional Marketing Board established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase the 1957/58 crop of benniseed for export in the Eastern Region in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the marketing of benniseed in the Region. The Eastern Regional Marketing Board will be responsible for all marketing arrangements within the Region including evacuation to port of shipment. Benniseed purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. The period to be covered by the 1957/58 Marketing Scheme will extend from 1st June 1957 to a date in 1958 to be announced later.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this Section forms part of the Department of Marketing and Exports, it is responsible only to the Federal Government through the Director of Marketing and Exports for the service which it will perform at the ports of shipment. The address of the headquarters of the Department is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Works Road,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

**4. Instructions to Licensed Buying Agents.** (i) *Crop Purchases.* The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Transport Differentials (see paragraph 9)
- (b) Purchase and Stock Returns (see paragraph 10)
- (c) Standard Pack, Bags and Markings (see paragraph 12)
- (d) Payment (see paragraph 14)

and all other matters relating to crop purchases and evacuation.

(ii) *Shipment.* The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Checkweighing.
- (b) Shipping Instructions and Documents and all other matters relating to export and shipment.

**5. Policy.** The Eastern Regional Marketing Board will purchase for export, through its licensed buying agents, all benniseed of exportable quality offered for sale at gazetted buying stations in Ogoja Province. For the purpose of this scheme benniseed of "Exportable Quality" is defined as in paragraph 8 below. Purchases will be made by the Board on the basis of a flat minimum naked ex-scale buying station price. The Board will utilise the services of its licensed buying agents from the time of purchase to the time the benniseed is delivered on board ocean-going vessel or to the Port Transit sheds or Board Stores according to the authorised point of take-over.

**6. Licensed Buying Agents.** The Board's licensed buying agent for the 1957/58 season is the undermentioned firms. The Board reserves the right to appoint additional buying agents during the period covered by the Scheme:

John Holt & Co. (Liverpool) Ltd.  
The United Africa Co. of Nigeria, Ltd.

**7. Functions of Licensed Buying Agents.**

- (a) To purchase at gazetted buying stations at not less than the minimum prices.
- (b) To bag to the standard weight as required by paragraph 12, and to provide suitable storage until time of shipment.
- (c) To finance purchases and to make such returns of purchases and stocks as the Board or its duly authorised executive may require.
- (d) To arrange for conveyance to port by approved routes without delay.
- (e) To comply with regulations and instructions regarding weighing at time of shipment.
- (f) To arrange for delivery on board ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports or if instructed, to rail stocks to the Port Transit sheds or Board Stores at Port Harcourt.

(g) To hand, without delay, shipping documents as required duly completed to the Department of Marketing and Exports.

**8. Quality.** Benniseed of "exportable quality" is defined as benniseed which contains no more than two per centum by weight of stones, laterite, mineral and other extraneous matter and not more than five per cent by weight of seed other than *sesamum indicum*.

**9. Buying Price.** The flat minimum naked ex-scale buying price for benniseed at all approved buying stations will be £37 10s. per ton.

**10. Transport Differentials.** A combined schedule of transport differentials and claims form will be issued as a separate Circular Instruction. The differentials will cover the cost of transport from buying stations to port of shipment.

**11. Purchase and Stock Returns.** Licensed buying agents are required to render to Director of Marketing and Exports, Lagos and the Assistant Director (Marketing), Port Harcourt, weekly returns in the form which will be described in a separate Circular Instruction. In addition, at the close of the buying season, licensed buying agents will render to the Director of Marketing and Exports, Lagos and the Assistant Director (Marketing), Port Harcourt, detailed returns showing purchases at each gazetted buying station.

**12. Storage and Care of Benniseed.** Licensed buying agents are responsible for the provision of suitable storage and for the proper care of benniseed. The cost of these functions is covered by the buying allowance and licensed buying agents will normally be required to bear any losses resulting from theft, leakage of bags or damage to benniseed incurred between time of purchase and time of placing on board ocean-going vessel or delivery into Port Transit sheds or Board Stores in accordance with such instructions as may be issued from time to time.

**13. Standard Pack.** All benniseed will be packed in new bags of at least "A" twill quality to a standard pack of 175 lb. gross. Tare will be 2½ lb. per bag, giving standard pack weight of 13 bags per ton nett. Licensed buying agents are reminded that bags must be sewn without lugs by means of lock stitches not more than one inch apart. Special care must be taken to ensure that all bags are in a sound condition. *In no circumstances may coffee bags be used for bagging benniseed.* The necessary instructions regarding the marks to be placed on bags containing benniseed will be given in a separate Circular Instruction.

**14. Deterioration of Stocks.** A licensed buying agent will not be held responsible for deterioration in the quality of benniseed unless the Director of Marketing and Exports considers that insufficient care and attention has been paid to storage and handling by the licensed buying agent concerned.

**15. Buying Allowances and Payment.** The amount of the buying allowance fixed for the 1957/58 season, and the method of payment, will be announced in a separate Circular Instruction.

**16. Loss and Damage Insurance.** Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessel or delivery into Port Transit sheds or Board Stores in accordance with separate instructions, with the exception of those risks generally specified by the Insurance Companies as excluded under the terms of their policies. The following are the excepted risks for which the Board is prepared to assume responsibility:

War, Invasion, Act of Foreign Enemy, Hostilities, (whether War be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour Disturbances and Civil Commotion.

**17. Extraordinary Expenses.** In the event of licensed buying agents being forced by circumstances beyond their control to incur serious extraordinary expenses, they should make representations through the Department of Marketing and Exports to the Board with a view to the recovery of such expenses provided that the Board's prior approval has been obtained to incur such expenses.

L. P. OJUKWU

*Chairman, Eastern Regional Marketing Board.*

Port Harcourt, 25th April, 1957.

File E. 1631/S.1.

Dist. List: ERMB/B.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX VI.

MEMORANDUM NO. E.R./5758/S.B.

### EASTERN REGIONAL MARKETING BOARD

#### 1957/58 SOYA BEANS MARKETING SCHEME

1. The Eastern Regional Marketing Board will purchase the 1957/58 soya beans crop in the Eastern Region in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the marketing of soya beans in the Region. The Eastern Regional Marketing Board will be responsible for all marketing arrangements within the Region including evacuation to port of shipment. Soya beans purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. The period to be covered by the 1957/58 Marketing Scheme will extend from 5th November, 1957 to a date in 1958 to be announced later.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative convenience this Section forms part of the Department of Marketing and Exports, it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it will perform at the ports of shipment.

The address of the headquarters of the Department is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Works Road,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

4. **Instructions to Licensed Buying Agents.** (i) *Crop Purchases.* The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:

(a) Transport Differentials.

- (b) Purchase and Stock Returns.
- (c) Standard Pack, Bag and Bag Markings.
- (d) Payment

and all other matters relating to crop purchases and evacuation.

(ii) *Shipment.* The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Checkweighing.
- (b) Shipping Instructions and Documents and all other matters relating to export and shipment.

**5. Policy.** The Eastern Regional Marketing Board will purchase for export, through its licensed buying agents all soya beans of exportable quality offered for sale at gazetted buying stations in Ogoja Province. Purchases will be made by the Board on the basis of a flat minimum naked ex-scale buying station price. The Board will utilise the services of the licensed buying agent from the time of purchase to the time the soya beans are delivered on board ocean-going vessel, to the port transit sheds or Nigerian Ports Authority stores, Port Harcourt according to the authorised point of take-over.

**6. Licensed Buying Agents.** The Board's licensed buying agents for the 1957/58 Season are the undermentioned firms:

- John Holt & Co. (Liverpool) Ltd.
- The United Africa Co. of Nigeria Ltd.
- L. N. Obioha Brothers & Co.

The Board reserves the right to appoint additional buying agents during the period covered by the scheme.

**7. Functions of Licensed Buying Agents.**

- (a) To purchase at buying stations at not less than the minimum price.
- (b) To bag to the standard weight as required by paragraph 13, and provide suitable storage until time of shipment.
- (c) To finance purchases and make such returns of purchases and stocks as the Board or its duly appointed executive may require.
- (d) To arrange for conveyance to port by approved routes without delay.
- (e) To comply with regulations and instructions regarding weighing at time of shipment.
- (f) To arrange for delivery on board ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports, or if instructed, to rail stocks to the Port Transit sheds or Nigerian Ports Authority Stores at Port Harcourt.
- (g) To hand, without delay, shipping documents as required duly completed, to the Department of Marketing and Exports.

**8. Quality.** Soya beans of "exportable quality" are defined as soya beans which contain not more than 0.2 per centum by weight of stones, laterite and other mineral matter and not more than 1.5 per centum by weight of total impurities. Soya beans must be entirely free from castor seed and other seeds.

**9. Buying Price.** A flat minimum naked ex-scale buying price of £18 per ton has been fixed for all approved buying stations.

**10. Transport Differentials.** A schedule of transport differentials covering the cost of transport from gazetted buying stations to port will be issued as a separate Circular Instruction.

**11. Purchase and Stock Returns.** Details of returns which licensed buying agents are required to render to the Board's executive will be issued as a separate Circular Instruction.

**12. Storage and Care of Soya Beans.** Licensed buying agents are responsible for the provision of suitable storage and for the proper care of soya beans. The cost of these functions is covered by the Buying Allowance and licensed buying agents will normally be required to bear any losses resulting from theft, leakage of bags or damage to soya beans incurred between the time of purchase and time of placing on board ocean-going vessel.

**13. Standard Pack.** All soya beans will be packed *in new bags of at least "B" twill quality* to a standard pack of 185 lb. gross. Tare will be  $2\frac{1}{2}$  lb. per bag.

**14. Loss and Damage: Insurance.** Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessels, delivery into Port Transit sheds or Nigerian Ports Authority stores, Port Harcourt in accordance with separate instructions, with the exception of those risks generally specified by the Insurance Companies as excluded under the terms of their policies. The following are the expected risks for which the Board is prepared to assume responsibility:

War, Invasion, Act of Foreign Enemy, Hostilities (whether war is declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour Disturbances and Civil Commotion.

**15. Deterioration of Stocks.** Licensed buying agents will be held responsible for deterioration in the quality of soya beans unless it is proved to the satisfaction of the Director of Marketing and Exports that such deterioration was due to circumstances beyond their control. Due care and attention should therefore be paid by licensed buying agents to storage and handling during transit and shipment.

**16. Checkweighing and Shipping Instructions.** Details will be issued in a separate Circular Instruction by the Department of Marketing and Exports on behalf of the Nigeria Central Marketing Board.

**17. Buying Allowance and Payment.** The amount of the buying allowance fixed for the 1957/58 season, and the method of payment, will be announced in a separate Circular Instruction.

**18. Extraordinary Expenses.** In the event of licensed buying agents being forced through circumstances beyond their control to incur *serious* extraordinary expenses, they should make representations through the Department of Marketing and Exports to the Board with a view to the recovery of such expenses provided that the Board's prior approval had been obtained to incur such expenses.

L. P. OJUKWU

*Chairman, Eastern Regional Marketing Board.*

File E. 1531/S.2.

Port Harcourt, 30th November, 1957.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX VII.

MEMORANDUM NO. E.R./5758/G.

### EASTERN REGIONAL MARKETING BOARD

#### 1957/58 GROUNDNUT MARKETING SCHEME

1. The Eastern Regional Marketing Board, established under Eastern Regional Marketing Board Law (No. 5 of 1954), will purchase the 1957/58 groundnuts crop in the Eastern Region in accordance with the arrangements set out in the following paragraphs which supersede any previous instructions on the subject of Groundnuts Marketing in the Region.

Groundnuts purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Season.** The Buying Season will open on the 14th November, 1957 and will continue until a date in 1958 to be announced later.

3. **Executive of the Board.** The Department of Marketing and Exports will act as the executive of the Board. In this connection it should be noted that the functions of the Department as the executive of the Board do not include the functions of the Federal Produce Inspection Section of the Department. Although for administrative reasons this Section forms part of the Department of Marketing and Exports it is responsible only to the Federal Government through the Director of Marketing and Exports for the services which it will perform at the ports of shipment. The address of the headquarters of the Department is:

Department of Marketing and Exports,  
Constanza House,  
72 Campbell Street, Lagos.

The cable and telegraphic address is "EMANDEX". The telephone number is Lagos 20544.

The address of the Eastern Regional Office of the Department is:

Assistant Director (Marketing),  
Department of Marketing and Exports,  
Works Road,  
Port Harcourt.

The cable and telegraphic address is "EASTMARK". The telephone number is Port Harcourt 8290.

4. **Instructions to Licensed Buying Agents.** (i) *Crop Purchases.* The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:

(a) Transport Differentials.

- (b) Payment Arrangements.
- (c) Marking of Bags.
- (d) Buying Allowance.
- (e) Purchase Tax.

and all other matters relating to crop purchases and evacuation.

(ii) *Shipment*. The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding:

- (a) Checkweighing.
- (b) Shipping Instructions and Documents and all other matters relating to export and shipment.

Licensed buying agents will be informed from which Departmental office Circular Instructions on the various subjects will issue.

**5. Policy.** The Eastern Regional Marketing Board will purchase for export through its licensed buying agents all "Special Grade" groundnuts offered for sale in the Eastern Region of Nigeria in accordance with the terms of this memorandum. Purchases will be made by the Board on the basis of a fixed naked ex-scale buying station price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the moment when the groundnuts are placed on board ocean-going vessel in accordance with separate instructions. Licensed buying agents will be required to purchase with reasonable regularity throughout the season at least the minimum tonnage of groundnuts for export as stated in the Board's conditions of appointment of licensed buying agents, published by the Eastern Regional Marketing Board for the 1957/58 Season.

**6. "Special Grade" Groundnuts.** "Special Grade" Groundnuts are defined as groundnuts of "Exportable Quality" containing *not less* than 70 per cent by weight of whole nuts.

"Exportable Quality" groundnuts are defined as groundnuts which contain not more than 0.2 per centum by weight of stones, laterite and other minerals and not more than 1.5 per centum by weight of total impurities.

**7. Licensed Buying Agents.** The Board's licensed buying agents for the 1957/58 Season are the undermentioned firms:

- John Holt & Co. (Liverpool) Ltd.
- The United Africa Co. of Nigeria Ltd.

The Board reserves the right to appoint additional buying agents during the season.

**8. Functions of Licensed Buying Agents.** The main functions are:

- (a) To purchase at buying stations at not less than the minimum prices.
- (b) To bag to the standard weight as required by paragraph 14.
- (c) To finance purchases and provide suitable storage until time of shipment.

- (d) To make such returns of purchases and stocks as the Board or its duly appointed executive may require.
- (e) To arrange for conveyance to port by approved routes without delay.
- (f) To comply with regulations and instructions regarding checkweighing.
- (g) To arrange for delivery on board ocean-going vessel or railway transit sheds at Port Harcourt according to instructions given by the Board's executive.
- (h) To hand without delay to the Board or its executive shipping documents as required.

**9. Buying Price.** The flat minimum price at all buying stations is £37 per ton naked ex-scale.

**10. Transport Differentials and Subsidies.** Details will be given in a separate Circular Instruction.

**11. Purchase and Stock Returns.** Details of the returns which licensed buying agents will be required to render will be given in a separate Circular Instruction.

**12. Quality.** Buying agents are responsible for ensuring that the groundnuts which they offer to the Board are actually of the quality which they represent it to be as defined in paragraph 6.

**13. Storage and Care of Groundnuts.** Licensed buying agents are responsible for provision of suitable storage and for the proper care of groundnuts. The cost of these functions is covered by the buying allowance and buying agents will normally be required to bear any losses resulting from theft, leakage of bags or damage of groundnuts incurred between time of purchase and time of delivery to the Board in accordance with instructions to be issued in a separate Circular Instruction.

**14. Deterioration of Stocks.** A buying agent will not be held responsible for deterioration in the quality of groundnuts unless the Director of Marketing and Exports considers that insufficient care and attention have been paid by the buying agent concerned to storage and handling.

**15. Standard Pack.** All groundnuts will be packed in new bags of at least "B" twill quality to a standard pack of 175 lb. gross. Tare will be  $2\frac{3}{4}$  lb. per bag. Buying agents are reminded that bags should be sewn up, without lugs, by means of lock stitches not more than one inch apart.

**16. Buying Agents' Marks.** Each buying agent should use one distinctive mark for groundnuts purchased. Details will be issued in a separate Circular Instruction.

**17. Checkweighing and Shipping Instructions.** Details will be issued in a separate Circular Instruction.

**18. Buying Allowance and Payment.** Details will be issued in a separate Circular Instruction.

**19. Loss and Damage: Insurance.** Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessel or delivery into the railway transit sheds in accordance with separate instructions with the exception of those risks generally specified by the Insurance Companies as excluded under the terms of their policies. The following are the excepted risks for which the Board is prepared to assume responsibility:

- (a) War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour Disturbances and Civil Commotions.
- (b) Risks arising directly out of transfers from shallow to deep water ports will be borne by the Board provided that:
  - (i) Such transfers have been programmed and notified to the Department of Marketing and Exports and are carried on an intermediate bill of lading.
  - (ii) Consent of this Department has been obtained before calling a Lloyds survey if produce has been damaged.
  - (iii) All relevant completed documents necessary to a claim being made under the Board's insurance cover have been submitted by the licensed buying agent within reasonable time to the Department of Marketing and Exports.

**20. Local Sales.** Sales of groundnuts for local mechanical processing will be made in accordance with instructions to be issued separately by the Director of Marketing and Exports.

**21. Extraordinary Expenses.** In the event of licensed buying agents being forced to incur, through circumstances beyond their control, serious extraordinary expenses, they should make representations to the Board through the Department of Marketing and Exports with a view to the recovery of such additional expenses.

L. P. OJUKWU,

*Chairman, Eastern Regional Marketing Board.*

File: E. 1041.

Port Harcourt, 14th November, 1957.

*Issued on behalf of the Eastern Regional Marketing Board  
by the Department of Marketing and Exports, Port Harcourt.*

## APPENDIX VIII.

EASTERN REGIONAL NOTICE No. 338

### EASTERN REGIONAL MARKETING BOARD

#### TERMS AND CONDITIONS OF APPOINTMENT OF LICENSED BUYING AGENTS FOR THE 1957/58 COCOA SEASON

1. It is notified for general information that the Board is prepared to consider applications for appointment as licensed buying agents for the 1957/58 cocoa season which will open about September, 1957 (the exact date will be notified later by publication in the *Eastern Region of Nigeria Gazette*).

2. Applicants will be required to produce evidence that they are likely to be able to fulfil the minimum conditions set out in the following paragraphs, which are based on:

- (a) The normal functions which a licensed buying agent is required to perform.
- (b) The lowest possible figure of purchases compatible with orderly marketing which is taken as 100 tons for an average season.
- (c) Average conditions as regards storage, evacuation, etc., ruling in past seasons.

3. **Functions of Licensed Buying Agents.** The main functions which licensed buying agents will be required to perform on behalf of the Board are:

- (a) To purchase cocoa at buying stations at not less than the minimum prices.
- (b) To bag and arrange for inspection in accordance with the regulations.
- (c) To finance purchases and provide suitable storage until the time of shipment.
- (d) To make returns of purchases and stocks as the Board or its duly authorised executive may require.
- (e) To arrange for approved conveyance to port and for shipment in accordance with shipping instructions issued by the Nigeria Central Marketing Board or its duly authorised executive.
- (f) To arrange for checkweighing and inspection at port in accordance with the regulations.
- (g) To arrange for delivery of cocoa to ocean-going vessel and to hand without delay shipping documents as required to the Nigeria Central Marketing Board or its duly authorised executive.

4. **Minimum Conditions.** (a) *Purchases.* Applicants must produce evidence of ability to purchase with reasonable regularity in a crop season a minimum of 100 tons of cocoa (i.e. Main and Light Crops inclusive).

(b) *Bags.* Applicants must produce evidence of ability to provide at least 6 bales of new bags each, and twine therefor to cover the minimum purchase requirements.

(c) *Capital.* Applicants will be required to produce suitable banker's reference or guarantee acceptable to the Board as evidence of their ability to provide the minimum capital requirements necessary to fulfil the obligations of a licensed buying agent. The minimum capital requirements based on the 1956/57 season price is £2,700. This minimum capital requirement may, however, be adjusted in proportion to any increase or decrease in the producer price of cocoa announced by the Board before the opening of the 1957/58 cocoa season and any such alteration will be taken into account in assessing an applicant's ability to finance purchases.

(d) *Storage.* Applicants must be able to provide evidence that they have proper storage available to cover at least fifty tons of cocoa, and adequate port storage where appropriate.

All stores must comply with the requirements of, and be approved by, the Eastern Regional Produce Inspection Service. It is the responsibility of the applicant to request in writing the Director, Eastern Regional Produce Inspection Service to inspect and approve his stores.

(e) *General.* Applicants must produce satisfactory evidence to show that they are fully conversant with the cocoa trade and likely to be able to fulfil the following conditions:

*Inspection of Cocoa.* That they will be able to provide an adequate labour force at all stores to handle cocoa at the time of inspection.

*Returns.* That they will render promptly and accurately all returns, particularly of purchases and stocks, which may be called for.

*Evacuation.* That they will be able to make arrangements to secure the necessary transport by road, rail and water to ensure the smooth and regular evacuation of cocoa by approved routes.

*Shipping Documents.* That they possess the necessary organisation at port or the ability to secure reliable agents to ensure the accurate preparation and prompt submission of shipping documents as required by the Board, and the carrying out of all duties involved in the delivery of cocoa to f.o.b. point.

**5. Method of Application.** Application forms and details as to their completion can be obtained from the Department of Marketing and Exports, Works Road, Port Harcourt; the Ministry of Commerce, Enugu; and from the Eastern Regional Produce Inspection Service, Port Harcourt.

Firms and persons wishing to apply must submit application forms duly and correctly completed in duplicate and addressed to the Assistant Director (Marketing), Department of Marketing and Exports, Works Road, Port Harcourt, not later than the 30th June, 1957.

Applications received after the closing date, will not be considered. Firms and persons already appointed as licensed buying agents under the current Marketing Scheme are not required to re-apply.

## APPENDIX IX.

EASTERN REGIONAL NOTICE No. 341

### EASTERN REGIONAL MARKETING BOARD

#### TERMS AND CONDITIONS OF APPOINTMENT OF LICENSED BUYING AGENTS FOR 1957/58 SOYA BEANS SEASON

1. The Board is prepared to consider applications for appointment as licensed buying agents during the forthcoming Soya Beans Season which will open approximately at the beginning of November, 1957 (the exact date will be notified later by publication in the *Eastern Region of Nigeria Gazette*).

2. **Functions of Licensed Buying Agents.** The main functions which licensed buying agents will be required to perform on behalf of the Board are:

- (a) To purchase soya beans at buying stations at not less than the gazetted prices.
- (b) To bag in accordance with the regulations.
- (c) To finance purchases and provide suitable storage until the time of taking over by the Department of Marketing and Exports as the Board's executive.
- (d) To arrange for approved conveyance to port and, where appropriate, for shipment in accordance with shipping instructions given by the Department of Marketing and Exports.
- (e) to arrange for checkweighing in accordance with the regulations.
- (f) To arrange for delivery of soya beans to Port Transit sheds at Port Harcourt, or to ocean-going vessel and to prepare without delay, shipping documents as required by the Department of Marketing and Exports.

3. **Conditions.** Applications will be considered from firms and individuals. Partnerships must produce evidence of being properly constituted and companies of being registered in accordance with current regulations. All applicants must be in possession of a banking account.

The minimum conditions which an applicant will be expected to fulfil have been based on:

- (a) The functions set out above which a buying agent will be required to perform.
- (b) A minimum requirement of ability to purchase a quantity of 100 tons of the total tonnage of soya beans marketed in any season. This is felt to be the lowest possible figure compatible with orderly marketing and the economic quantity which can be handled by a licensed buying agent.

(c) (i) *Bags*. On the basis of production in an average season, applicants must produce evidence of ability to provide at least four bales of new bags and twine to cover this minimum tonnage.

(ii) *Capital*. The minimum requirement is £1,000. As evidence of ability to provide this amount, and applicant must produce a suitable banker's reference or a guarantee acceptable to the Board.

(iii) *Storage*. An applicant must be able to provide evidence that he has adequate and suitable storage available up-country and at port.

All storage must comply with the requirements of the Eastern Regional Produce Inspection Service.

(iv) *General*. A buying agent must produce satisfactory evidence to show that he is fully conversant with the soya beans trade and likely to be able to fulfil the following conditions:

*Returns*. That he will render promptly and accurately all returns (particularly as to purchases and stocks) which may be called for.

*Evacuation*. That he will be able to make arrangements to secure the necessary transport to ensure that smooth and regular evacuation of soya beans by approved routes.

*Shipping Documents*. That in the event of purchases being evacuated to shallow-draft ports, he possesses the necessary organisation at port or the ability to secure reliable agents to ensure the accurate preparation and prompt submission of shipping documents as required by the Department of Marketing and Exports and the carrying out of all duties involved in the delivery of soya beans to f.o.b. points.

**4. Methods of Application.** Application forms, together with details as to their completion, can be obtained from the Department of Marketing and Exports, Port Harcourt.

Firms and persons wishing to apply for appointment as buying agents must submit application forms correctly completed to the Assistant Director (Marketing), Department of Marketing and Exports, Port Harcourt, not later than 30th June, 1957. Firms and persons already appointed as buying agents under the current Marketing Schemes are not required to re-apply.

## APPENDIX X

EASTERN REGIONAL NOTICE No. 342

### EASTERN REGIONAL MARKETING BOARD

#### TERMS AND CONDITIONS OF APPOINTMENT OF LICENSED BUYING AGENTS UNDER 1958 PALM KERNEL AND PALM OIL MARKETING SCHEMES

1. It is notified for general information that the Board is prepared to consider applications for appointment as licensed buying agents under the 1958 Palm Kernel and Palm Oil Marketing Schemes.

2. An applicant will be required to produce evidence that he is able to fulfil the minimum conditions set out in the following paragraphs, which are based on the normal functions which a buying agent is required to perform under the existing marketing schemes.

#### 3. Minimum Conditions.

- (a) *Purchases.* Applicants must produce evidence of ability to purchase with reasonable regularity throughout the duration of the scheme in their first year of operation the following minimum quantities:

					(Tons)
Palm Kernels	...	...	...	...	400
Palm Oil	...	...	...	...	200

For subsequent years the minimum purchase requirements, which are regarded as the lowest possible levels compatible with orderly marketing are:

					(Tons)
Palm Kernels	...	...	...	...	875
Palm Oil	...	...	...	...	300

- (b) *Containers.* Licensed buying agents will be required to produce evidence that they own sufficient containers to cover their purchases.

The minimum requirements are:

Palm Kernels: 17 bales each of 300 new bags.

Palm Oil: Drums/Casks to the satisfaction of the Eastern Regional Produce Inspection Service.

The Board appreciates that it is unreasonable to require an applicant for a licence to furnish himself with necessary containers in the early stages of his application and in the absence of any certainty that his application is going to be successful. It is therefore prepared to

consider applications from persons not actually in possession of such containers, provided evidence of applicants' financial ability to purchase such containers is made available. In the event of it being decided that the applicant is in all other respects suitable for appointment and the Board deciding to make such appointment, the appointment will be so made by the Board and the licence issued subject to *subsequent proof on the part of the person or firm concerned that the necessary containers have in fact been acquired.*

- (c) *Capital.* Applicants will be required to produce acceptable evidence of their ability to provide the necessary capital to finance their purchases. Buying agents have to be in a position to buy at not less than minimum prices at gazetted buying stations and to arrange for the produce to be evacuated to port (in the case of palm kernels) or bulk oil plant (in the case of palm oil), at which point payment is made against delivery of the produce in the approved manner.

The minimum requirements are as follows:

Palm Kernels	...	...	...	...	£4,000
Palm Oil	...	...	...	...	£4,000

- (d) *Storage.* Applicants must be able to provide evidence that they have proper storage available to cover at least two hundred and forty-five tons of palm kernels, and adequate port storage where appropriate.

All stores must comply with the requirements of, and be approved by, the Eastern Regional Produce Inspection Service. It is the responsibility of the applicant to request in writing the Director, Eastern Regional Produce Inspection Service, Port Harcourt to inspect and approve his store.

4. An applicant must produce satisfactory evidence to show that he is fully conversant with the produce trade in question and that in particular he will be able to fulfil the following conditions:

- (a) *Equipment.* That he possesses the required equipment for the grading of produce for export.
- (b) *Inspection of Produce.* That he will be able to provide grading equipment and an adequate labour force at all stores.
- (c) *Returns.* That he will render promptly and accurately all returns, particularly as to purchases and stocks, which may be called for by the Board's executive.
- (d) *Evacuation.* That he will be able to make arrangements to secure the necessary transport by road, rail and water to ensure the smooth and regular evacuation of produce by approved routes.
- (e) *Delivery.* That he can arrange delivery of palm oil to the appropriate bulk oil plant and of palm kernels to Port Transit Sheds or Board Stores, Port Harcourt or to f.o.b. ocean vessel, he must possess organisation at Port or the ability to secure reliable agents to ensure the accurate preparation and prompt submission of shipping documents as required

and the carrying out of all duties involved in the delivery of palm kernels to f.o.b. point.

**5. Method of Application.** Application forms together with details as to their completion can be obtained from the Ministry of Commerce, Enugu, the Department of Marketing and Exports, Port Harcourt and from the Eastern Regional Produce Inspection Service.

Firms and persons wishing to apply for appointment as buying agents must submit application forms in duplicate and correctly completed to the Department of Marketing and Exports, Works Road, Port Harcourt, not later than the 1st August, 1957. It is emphasised that applications received after the closing date will not be considered. Firms and persons already appointed as licensed buying agents under the Board's current marketing schemes are not required to re-apply.

APPENDIX XI

***Accounts***

**EASTERN REGIONAL**  
**BALANCE SHEET**

1956	£	£	£	£
8,322,006	GENERAL RESERVE ... ..			9,167,330
<b>SPECIFIC RESERVES :</b>				
500,000	Proposed Eastern Region University Grant, 1958 Contribution ... ..		500,000	
—	Development grant to Eastern Region Development Corporation ... ..		100,000	
	Eastern Region Co-operative Marketing Scheme ...	61,132		
	Less Payments to date ... ..	15,257		
50,160			45,875	
	Contingent liability in respect of 15s. uncalled on each of 80,000 shares in the Nigerian Produce Marketing Company Limited ... ..		60,000	
60,000				705,875
610,160				
<b>CURRENT LIABILITIES AND PROVISIONS :</b>				
2,367,852	Creditors and accrued liabilities ... ..			2,592,271

**NOTES**

1. The Board will share in the final distribution of assets upon the liquidation of the Nigerian Oil Palm Produce Marketing Board, the Nigerian Cocoa Marketing Board and the Nigeria Groundnut Marketing Board, but the amount of such total distribution applicable to the Eastern Regional Marketing Board has not yet been ascertained.
2. The Board is committed to make development grants to the Eastern Region Development Corporation of £100,000 in each of five years commencing 1st January, 1958. The Board has also agreed to lend to the Eastern Region Development Corporation an amount of £500,000 free of interest for five years from 1st January, 1958.

£11,300,018

£12,465,476

**REPORT OF**

We have examined the above balance sheet and annexed profit and loss account which are in the balance sheet the quoted investments are not of the value of £8,204,666 at which they are entered. for our audit, and in our opinion these accounts, amplified by the notes applicable thereto and the information for 1957, and of the profit for the year ended on that date.

LAGOS,

28th March, 1958.

# MARKETING BOARD

31st DECEMBER 1957

1956		Cost	Accumulated Depreciation	
£		£	£	£
<b>FIXED ASSETS:</b>				
34,248	Leasehold land and buildings ... ..	38,389	5,661	32,728
1,047	Motor vehicles ... ..	3,221	1,494	1,727
940	Machinery and equipment ... ..	1,354	293	1,061
5,528	Furniture, fixtures and fittings ... ..	6,397	1,720	4,677
<u>41,763</u>		<u>£49,361</u>	<u>£9,168</u>	<u>£40,193</u>
<b>TRADE INVESTMENT :</b>				
20,000	Nigerian Produce Marketing Company Limited (80,000 ordinary shares of £1 each, 5s. paid) ... ..			20,000
<b>LOANS :</b>				
2,400,000	Central Marketing Board ... ..		—	
373,300	Federal Government of Nigeria ... ..		2,109,300	
<u>2,773,300</u>				<u>2,109,300</u>
<b>CURRENT ASSETS :</b>				
155,389	Stocks of palm kernels, at cost ... ..		109,553	
261,244	Debtors and payments in advance ... ..		235,647	
122,016	Current account—Central Marketing Board ... ..		1,416,958	
8,204,666	British Government securities at cost (Market value £6,688,985) as per Schedule (page 86) ... ..	8,204,666		
500,000	Less Reserve for loss on realisation ... ..	1,000,000		
<u>7,704,666</u>			<u>7,204,666</u>	
221,640	Bank and Cash balances ... ..		1,329,159	
<u>8,464,955</u>				<u>10,295,983</u>
<p>L. P. OJUKWU, Esq., O.B.E., <i>Chairman</i>  H. P. ELDER, Esq., <i>Director of Marketing and Exports</i>  H. H. WESTALL, Esq., A.C.A., <i>Assistant Director (Finance)</i></p>				
<u>£11,300,018</u>				<u>£12,465,476</u>

## THE AUDITORS

agreement with the books of account. In our opinion proper books of account have been kept. As shown Subject to this remark, we have obtained all the information and explanations which we considered necessary tion given in the annual report, show a true and fair view of the state of the Board's affairs at 31st December,

COOPER BROTHERS & CO.

*Chartered Accountants.*

**EASTERN REGIONAL MARKETING BOARD**  
**GENERAL RESERVE ACCOUNT 31st DECEMBER, 1957**

	<i>Total</i>		<i>Oil Palm Produce</i>		<i>Cocoa</i>		<i>Minor Oilseed Crops</i>	
	£	£	£	£	£	£	£	£
BALANCE at 1st January 1957 ... ..	8,322,006		8,095,013		223,616		3,377	
Add: Profit transferred from profit and loss account ... ..	1,945,324		1,921,761		22,600		963	
	<u>10,267,330</u>		<u>10,016,774</u>		<u>246,216</u>		<u>4,340</u>	
<i>Deduct:</i> Transfers to specific reserves:								
Proposed Eastern Region University Grant—1958 contribution ... ..	£500,000		487,799		11,990		211	
Reserve for loss on realisation of British Government securities ... ..	500,000		487,799		11,990		211	
Eastern Region Development Corporation—Development Grant—1958 ... ..	100,000		97,560		2,398		42	
	<u>1,100,000</u>		<u>1,073,158</u>		<u>26,378</u>		<u>464</u>	
	<u>£9,167,330</u>		<u>£8,943,616</u>		<u>£219,838</u>		<u>£3,876</u>	



**EASTERN REGIONAL  
PROFIT AND LOSS ACCOUNT FOR**

1956 £		£
	<b>Trading surplus transferred from trading accounts :</b>	
576,733	Palm kernels ... ..	
2,324,398	Palm Oil ... ..	
(36,029)	Cocoa ... ..	
4,594	Minor oilseed crops ... ..	
<u>£2,869,696</u>		
	<b>Interest receivable :</b>	
251,448	British Government securities ... ..	251,448
52,476	Loan account—Nigeria Central Marketing Board ... ..	13,998
3,391	Loan account—Federal Government of Nigeria ... ..	75,320
31,333	Bank deposits ... ..	<u>26,086</u>
<u>338,648</u>		
1,781	Sundry revenue ... ..	
<u>£3,210,125</u>		
	<b>Administrative expenses :</b>	
39,673	Executive organisation ... ..	57,646
19,097	Wages and salaries ... ..	14,930
3,305	Subsistence and travelling (Board Members, Executive and Staff) ... ..	3,095
19,232	Bank charges ... ..	31,334
882	Insurance ... ..	983
3,822	Printing, stationery and general expenses ... ..	2,518
1,817	Legal charges—Tribunal of Enquiry ... ..	—
<u>87,828</u>		
10,609	West African Stored Products Research Unit—Board's share of expenses ... ..	9,230
—	Marketing publicity ... ..	222
1,110	Audit fee ... ..	1,050
—	Legal expenses ... ..	250
—	Palm kernels stock losses ... ..	2,731
2,196	Depreciation ... ..	<u>6,764</u>
<u>13,915</u>		
1,087,477	Produce purchase tax ... ..	
2,020,905	Profit for the year carried down ... ..	
<u>3,210,125</u>		
2,020,905	Profit for the year brought down ... ..	
(107,866)	Add: Adjustments in respect of previous years ... ..	
<u>1,913,039</u>		
1,000,000	Deduct: Grant towards the establishment of the proposed Eastern Region University ... ..	
<u>£913,039</u>	Profit transferred to General Reserve ... ..	

NOTE.—Figures in parenthesis are deductions.

# MARKETING BOARD

THE YEAR ENDED 31st DECEMBER, 1957

<i>Total</i> £	<i>Oil Palm Produce</i> £	<i>Cocoa</i> £	<i>Minor Oilseed Crops</i> £
375,763	375,763	—	—
2,311,664	2,311,664	—	—
19,568	—	19,568	—
177	—	—	177
<u>2,707,172</u>	<u>2,687,427</u>	<u>19,568</u>	<u>177</u>
366,852	356,846	9,857	149
533	527	6	—
<u>£3,074,557</u>	<u>£3,044,800</u>	<u>£29,431</u>	<u>£326</u>
110,506	108,574	1,787	145
20,247	19,879	340	28
1,026,160	1,021,230	4,844	86
1,917,644	1,895,117	22,460	67
<u>£3,074,557</u>	<u>£3,044,800</u>	<u>£29,431</u>	<u>£326</u>
1,917,644	1,895,117	22,460	67
27,680	26,644	140	896
<u>1,945,324</u>	<u>1,921,761</u>	<u>22,600</u>	<u>963</u>
—	—	—	—
<u>£1,945,324</u>	<u>£1,921,761</u>	<u>£22,600</u>	<u>£963</u>

**EASTERN REGIONAL  
PALM KERNELS TRADING ACCOUNT**

<i>1956</i>		<i>Tons</i>	<i>£</i>
<i>£</i>			
<i>108,675</i>	Stock in sheds at Port Harcourt 1st January 1957 ... ..	4,375	155,389
<i>7,598,409</i>	Purchases ... ..	197,479	6,950,738
<i>—</i>	Provision for price adjustments of 1957 purchases not yet delivered ... ..		15,250
<i>53,000</i>	Provision for revised buying allowances ... ..		—
<i>57,727</i>	Produce inspection charges ... ..		61,685
<i>73,292</i>	Nigeria Central Marketing Board—operational charges ...		60,729
<i>15,002</i>	Transport subsidies and handling charges ... ..		11,443
<i>576,733</i>	Trading margin carried to profit and loss account ... ..		375,763
		<u>201,854</u>	<u>£7,630,997</u>
<u><i>£8,482,838</i></u>			

**MARKETING BOARD**

FOR THE YEAR ENDED 31st DECEMBER, 1957

1956			<i>Tons</i>	<i>£</i>
	<i>£</i>			
8,316,822	Sales (1956 214,135 tons) ... ..	...	198,688	7,518,713
155,389	Stock in sheds at Port Harcourt 31st December, 1957...	...	3,089	109,553
10,627	Stock losses ... ..	...	77	2,731

<u>£8,482,838</u>		<u>201,854</u>	<u>£7,630,997</u>
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**EASTERN REGIONAL  
PALM OIL TRADING ACCOUNT FOR**

1956 £		Tons	<i>Special Grade Oil</i> £	<i>Plantation Palm Oil</i> £	<i>Technical Palm Oil</i> £	Total £
	Purchases :					
7,833,089	Special Grade Oil ...	117,267	6,774,511	—	—	6,774,511
1,381,741	Technical Oil ...	34,593	—	—	1,569,216	1,569,216
185,616	Plantation Oil ...	2,446	—	144,794	—	144,794
<u>9,400,446</u>		<u>154,306</u>	<u>6,774,511</u>	<u>144,794</u>	<u>1,569,216</u>	<u>8,488,521</u>
60,000	Provision for revised buying allow- ances ... ..		—	—	—	—
45,129	Produce inspection charges ...		36,620	763	10,804	48,187
59,341	Nigeria Central Marketing Board operational charges ... ..		36,353	764	10,693	47,810
7,813	Transport subsidies and handling charges ... ..		10,490	173	3,094	13,757
2,324,398	Trading margin carried to profit and loss account ... ..		1,726,771	33,359	551,534	2,311,664
<u>£11,897,127</u>			<u>£8,584,745</u>	<u>£179,853</u>	<u>£2,145,341</u>	<u>£10,909,939</u>

# MARKETING BOARD

THE YEAR ENDED 31st DECEMBER, 1957

1956 £		Tons	Special Grade Oil £	Plantation Palm Oil £	Technical Palm Oil £	Total £
	Sales :					
9,836,311	Special Grade Oil ...	117,267	8,584,745	—	—	8,584,745
1,824,097	Technical Oil ...	34,593	—	—	2,145,341	2,145,341
236,719	Plantation Oil ...	2,446	—	179,853	—	179,853
<u>11,897,127</u>		<u>154,306</u>	<u>8,584,745</u>	<u>179,853</u>	<u>2,145,341</u>	<u>10,909,939</u>
<u>£11,897,127</u>			<u>£8,584,745</u>	<u>£179,853</u>	<u>£2,145,341</u>	<u>£10,909,939</u>



# MARKETING BOARD

THE YEAR ENDED 31st DECEMBER, 1957

1956							<i>Tons</i>	£
£								
	Sales 1956/1957 Crop	...	...	...	...	...	1,283	198,279
	1957/1958 Crop	...	...	...	...	...	490	105,089
							<hr/> 1,773	<hr/> 303,368
226,256								

£226,256

1,773

£303,368

NOTE.—Figures in parenthesis are deductions.

**EASTERN REGIONAL**  
**MINOR OILSEED PRODUCE TRADING ACCOUNT**

1956 £		<i>Tons</i>	<i>Benniseed</i> £	<i>Soya Beans</i> £	<i>Total</i> £
	<b>Purchases :</b>				
	Benniseed   ...   ...   ...	—	—	—	—
	Soya Beans   ...   ...   ...	720	—	18,077	18,077
39,451		720	—	18,077	18,077
6,736	Carriage to port   ...   ...   ...   ...		—	6,073	6,073
185	Provision for revised buying allowances   ...   ...		—	—	—
370	Nigeria Central Marketing Board operational charges   ...   ...   ...   ...   ...		—	225	225
4,394	Trading margin carried to profit and loss account		—	177	177
<u>£51,336</u>			£ —	£24,552	£24,552

**MARKETING BOARD**

FOR THE YEAR ENDED 31st DECEMBER, 1957

1956				<i>Benniseed</i>	<i>Soya Beans</i>	<i>Total</i>
£			<i>Tons</i>	£	£	£
	Sales :					
	Benniseed	... ..	—	—	—	—
	Soya Beans	... ..	720	—	24,552	24,552
			<u>720</u>	<u>—</u>	<u>24,552</u>	<u>24,552</u>
51,336			<u>720</u>	<u>—</u>	<u>24,552</u>	<u>24,552</u>
<u>£51,336</u>				<u>£ —</u>	<u>£24,552</u>	<u>£24,552</u>

EASTERN REGIONAL MARK  
SUMMARY OF OIL PALM PRODUCE SALES  
31st DECE.

	<i>Tons</i>	<i>Palm Kernals</i> £	£
<b>NIGERIA CENTRAL MARKETING BOARD :</b>			
Sales at F.O.B. Prices ... ..	194,334		8,570,341
<i>Deduct</i> Export Duty ... ..		857,815	
Lighterage and wharfage ... ..		59,790	
Harbour Dues ... ..		44,128	
Shallow/deep surcharge ... ..		20,975	
Diversion charges ... ..		9,657	
Handling and Storage charges ... ..		53,894	
		1,046,259	
<b>EASTERN REGIONAL MARKETING BOARD :</b>			
Sales to Nigeria Central Marketing Board ... ..	194,334		7,524,082
<i>Add</i> Coast and impurities weight allowances ... ..	4,354		—
	198,688		7,524,082
<i>Deduct</i> Quality discounts ... ..		5,190	
Outturn excess loss in weight ... ..		179	
		5,369	
<b>SALES PROCEEDS</b> ... ..	198,688		£7,518,713

**ETING BOARD**

**FOR THE YEAR ENDED**

**MBER, 1957**

<i>Special Grade Oil</i>		<i>Technical Palm Oil</i>		<i>Plantation Palm Oil</i>	
<i>Tons</i>	<i>£</i>	<i>Tons</i>	<i>£</i>	<i>Tons</i>	<i>£</i>
116,329		34,219		2,444	
<u>116,329</u>	<u>8,584,745</u>	<u>34,219</u>	<u>2,145,341</u>	<u>2,444</u>	<u>179,853</u>
938	—	374	—	2	—
<u>117,267</u>	<u>8,584,745</u>	<u>34,593</u>	<u>2,145,341</u>	<u>2,446</u>	<u>179,853</u>
—	—	—	—	—	—
<u>117,267</u>	<u>£8,584,745</u>	<u>34,593</u>	<u>£2,145,341</u>	<u>2,446</u>	<u>£179,853</u>

**EASTERN REGIONAL MARKETING BOARD**  
**SCHEDULE OF BRITISH GOVERNMENT SECURITIES**  
**31st DECEMBER, 1957**

	<i>Nominal Value</i>	<i>Cost</i>	<i>Market Value</i>
	£	£	£
3% Savings Bonds, 1960/70     ... ..	4,008,736	3,841,406	3,021,585
3% Savings Bonds, 1955/65     ... ..	3,965,460	3,950,507	3,363,205
3% War Loan, 1955/59     ... ..	407,406	412,753	391,619
	<u>£8,381,602</u>	<u>£8,204,666</u>	<u>£6,776,409</u>
<i>Less Interest accrued at 31st December, 1957</i> ... ..			87,424
			<u>£6,688,985</u>



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