



GOVERNMENT OF WESTERN NIGERIA

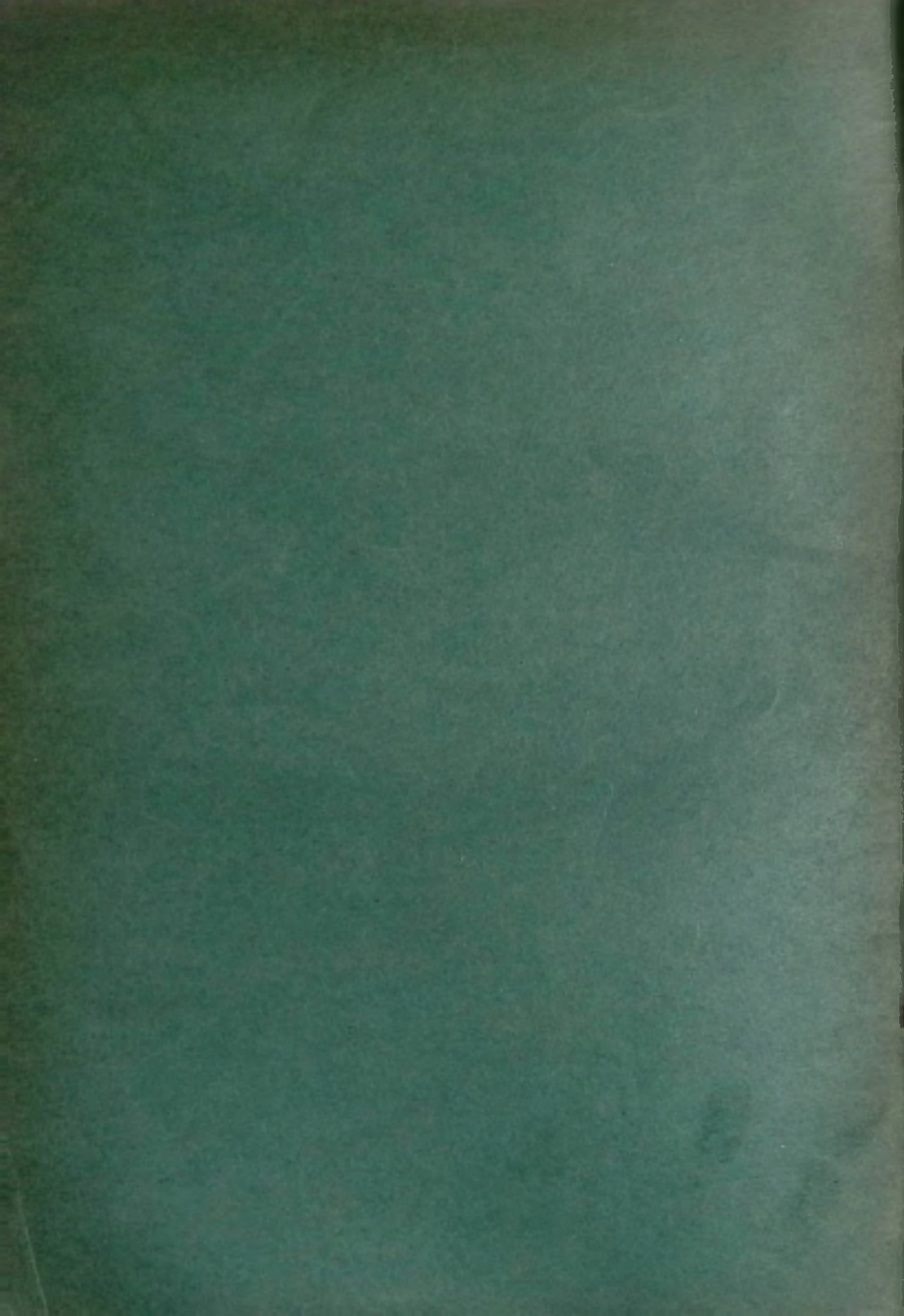
Sixth Annual Report
of the
Western Region Marketing Board
1st October, 1959 to 30th September, 1960

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INTRODUCTION

This Report covers the period 1st October, 1959, to 30th September, 1960, and has been prepared in accordance with the requirements of section 20 of the Western Region Marketing Board Law (Cap. 75 of the Laws of the Western Region of Nigeria, 1959), which reads:

"20. (2) As soon as may be after the thirtieth day of September in each year, the Marketing Board shall prepare a report of its operations during the preceding year, and shall forward such report to the Governor in Council, together with a certified copy of the audited accounts of the Marketing Board.

(3) The annual report and certified copy of the audited accounts of the Marketing Board, together with the auditor's report, shall be published in such manner as the Minister may direct and shall be laid upon the Table of the Western House of Assembly and upon the Table of the Western House of Chiefs also".

2. Arrangements of the Report

The Report is divided into six main sections under the following headings:—

I.—General (dealing with Membership and Meetings of the Western Region Marketing Board and its associated Representative Committees and Matters of General Interest).

II.—Review of Operations during the period covered by the Report:

- A. 1959-60 Cocoa Marketing Operations
- B. 1960 Cotton Marketing Operations
- C. 1960 Oil Palm Produce Marketing Operations
- D. 1959-60 Fresh Fruit Marketing Operations.

III.—Selling Arrangements.

IV.—Financial Allocation for Scientific Research and Economic Development.

V.—The Board's Accounts and Financial Position.

VI.—Conclusion.

I.—GENERAL

3. Membership of the Board

Mr J. A. Akinyemi, who was appointed to the Board in November 1957, resigned early in December 1959, to contest election into the Federal House of Representatives, to which he was subsequently elected. The resultant vacancy was filled by the appointment in February 1960, of Mr L. Omole, who later resigned in August 1960, to contest election into the Western House of Assembly.

Mr J. A. Odeku also joined the Board in February 1960. A further loss was, however, suffered in August 1960 through the resignation from the Board of Mr I. A. Adejare, M.B.E., who had been a member since November 1957.

Apart from the above, the membership of the Board remained unchanged and was as follows at the end of the period under review:

Mr S. L. Durosaro—*Chairman*.

Rev. E. T. Latunde, O.B.E.

His Highness Lalubu II, the Olubara of Ibara.
 His Highness Alademerin, Ajasun II, the Akija of Ikija.
 Rev. J. A. Iluyomade.
 Kabiyesi Yaya Daiye, the Imah of Semolika.
 Chief S. A. Daramola.
 Alhadji L. O. Bello.
 Mr J. A. Odeku.

4. Meetings of the Board

The Board held eight meetings in Ibadan during the year as follows:

Thirty-fourth Meeting	...	...	...	27th October, 1959
Thirty-fifth Meeting	...	...	...	28th November, 1959
Thirty-sixth Meeting	...	...	...	9th January, 1960
Thirty-seventh Meeting	...	...	...	12th February, 1960
Thirty-eighth Meeting	...	...	...	22nd March, 1960
Thirty-ninth Meeting	...	...	...	20th June, 1960
Fortieth Meeting	...	...	...	11th August, 1960
Forty-first Meeting	...	...	...	18th August, 1960

5. Representative Committees

As mentioned in the Fifth Annual Report, Chief Akintoye Coker, Chairman of the Cocoa and the Cotton Representative Committees since 1957 resigned from both Committees in August 1959, on his appointment as the Commissioner for Western Nigeria in the United Kingdom. The Minister responsible for Marketing Board affairs, in exercise of his powers under section 30 of the Marketing Board Law subsequently appointed Mr J. A. Babalola as Chairman of the Cocoa Representative Committee and Mr T. A. Babalola as Chairman of the Cotton Representative Committee. These appointments took effect from 24th February, 1960.

(a) *Western Region Cocoa Representative Committee*

Chief R. F. Omotade, who had been on the Committee since its inception in 1954, resigned his membership on 1st February, 1960, to concentrate on his duties as President of a Customary Court.

Three new appointments were made to the Committee during the year by the Minister responsible for Marketing Board affairs. Two of these were to fill vacancies arising at the expiration of the terms of office of former Members.

The membership of the Committee as at 30th September, 1960, was as follows:

Mr J. A. Babalola— <i>Chairman</i>	}	Representatives of the Western Region Marketing Board.
Rev. E. T. Latunde, O.B.E.		
His Highness Lalubu II, The Olubara of Ibara.		
Mrs E. Femi Pearse		
Mr N. Ogunoshun		
Mr L. Adeduntan		
Mr J. O. Ogunyemi		
Mr M. A. Shutti		
Mr M. A. Odunsi.		

The Committee met once during the year in Ibadan as follows:
 Tenth Meeting 12th August, 1960.

(b) *Western Region Oil Palm Produce Representative Committee*

Chief J. E. Odiete whose tenure of office as the Chairman of the Committee expired on 3rd May, 1960, was re-appointed for a further three years with effect from 4th May, 1960.

The membership of the Committee at the end of the year remained unchanged as follows:

Chief J. E. Odiete— <i>Chairman</i>	} Representatives of the Western Region Marketing Board.
A. A. Odundun II, the Jegun of Ile Oluji	
Chief R. A. Akindele, The Jegun of Idepe	
Chief S. A. Adebisi	
Mrs Agbeke Peters	
Mr H. G. Riley	
Oba Alademerin, Ajasun II, The Akija of Ikija.	
Kabiyesi Yaya Daiye, The Imah of Semolika.	
Mr P. Ewalomohun	
Mr J. K. Oparinde.	

The Committee met once during the year in Ibadan as follows:

Tenth Meeting 30th November, 1959.

(c) *Western Region Cotton Representative Committee*

In addition to the appointment of Mr T. A. Babalola as Chairman, two new appointments were also made to fill outstanding vacancies on the Committee. Before the close of the year, however, Mr I. A. Adejare, M.B.E., who was representing the Western Region Marketing Board on the Committee vacated his seat, following his resignation from the Board.

Membership of the Committee as at 30th September, 1960, was as follows:

Mr T. A. Babalola—*Chairman*
Mr J. A. Babatunde
Mr J. A. Ajayi
Mr A. A. Tawose.

6. Exchange of Visits: Western Region Marketing Board and Ghana Cocoa Marketing Board.

A visit was paid by members of the Board to Ghana in January 1960, under an Exchange of Visits Programme jointly operated by the Ghana Cocoa Marketing Board and the Western Region Marketing Board. The party, which was led by the Chairman of the Board, Mr S. L. Durosaro, also included representatives of the Western Region Cocoa Representative Committee and the Western Nigerian Farmers Union.

The programme for the visit was comprehensive. It included a joint meeting of the two Boards, during which matters of common interest affecting the cocoa industry were usefully discussed.

Among the courtesy calls made by the party were those on His Excellency the Governor-General, Lord Listowel and the Honourable Prime Minister, Osagyefo Dr Kwame Nkrumah. Conducted tours were also undertaken to the Nungua Farm, the West African Cocoa Research Institute, Tafo, Tema Harbour and a number of other places of educational and historical interest.

The members of the party were very much impressed by all they saw as well as by the hospitality extended to them during the visit which lasted from 11th to 17th January, 1960. They were particularly pleased with the opportunity which the visit afforded them of exchanging views with various officials connected with the numerous aspects of the Ghana cocoa industry.

The return visit of the members of the Ghana Cocoa Marketing Board to Nigeria coincided with the Nigerian Independence Celebrations from 29th September, to 10th October, 1960. The visiting party, led by the Chairman of the Ghana Cocoa Marketing Board, Sir Tsibu Darku, was able to join to the fullest possible extent in the Independence Celebrations arranged by the Federal and the Western Nigerian Governments. In addition, the party had formal discussions with members of the Western Region Marketing Board and was afforded full opportunity of seeing the cocoa industry at work at all levels and exchanging views with the officials concerned.

II.—REVIEW OF OPERATIONS DURING THE PERIOD COVERED BY THE REPORT

A.—1959-60 COCOA MARKETING OPERATIONS

7. General Review

The growing belief that cocoa production in the Region was steadily moving to a new and higher level gained strength in 1959-60. The season's crop out-turned at 146,360 tons, breaking all previous post-war years' records; the increase over that of 1958-59 being 14,847 tons or 11.29 per cent.

Favourable weather conditions contributed to this achievement. The basic underlying factor, however, was the effective programme for expansion in production through improved husbandry, new plantings of high-yielding strains and through control of pests and diseases vigorously pursued by the appropriate Regional Authorities.

Production in the other West African Countries was also exceptionally good and throughout the season, the market was dominated by an awareness that cocoa was in plentiful supply. The resultant unbalance between world production and world consumption gave impetus to a decline in cocoa values, which started early in the season. This continued steadily and by May 1960 prices had dropped to as low as £205 per ton f.o.b.

Buying interests were stimulated by this price situation and good progress was made in sales. An average f.o.b. price of about £220 per ton was realised on all sales of the Nigerian crop, and the Board ended its trading operations with a surplus of about £1,098,560.

8. Marketing Arrangements made

(a) *Marketing Scheme*

The division of duties and responsibilities between the Board and its licensed buying agents remained essentially the same under the Marketing Scheme for the 1959-60 season as in the previous season.

The 1959-60 Cocoa Marketing Scheme is reproduced at Appendix I.

(b) *Opening and Closing of the Season*

The season opened at midnight 3rd/4th September, 1959, and was brought to a close at midnight 11th/12th August, 1960.

A moratorium of three weeks was allowed between the close of the 1958-59 season at midnight 14th/15th August, 1959, and the opening of the 1959-60 season to enable licensed buying agents to complete grading of the stocks held at the end of the old season and arrange for the cleaning and preparation of produce stores for the opening of the new season.

(c) *Appointment of Licensed Buying Agents*

All but five of the forty-six licensed buying agents operating during the 1958-59 cocoa season were reappointed for 1959-60.

Of the thirteen applicants for first appointment as licensed buying agents, ten were successful.

The names of the licensed buying agents appointed for the 1959-60 season are listed in paragraph 6 of Appendix I to this Report.

(d) *Quality Grades Prescribed for Export*

The grades and standards of quality laid down for cocoa to be purchased for export in the 1959-60 season were identical with those prescribed for the previous seasons under the Export of Nigerian Produce Ordinance (No. 36 of 1958). These were as follows:

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

(a) five per cent by count of mouldy, weevily, decayed, flat and/or germinated beans; and

(b) five 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—

(a) ten per cent by count of mouldy, weevily, decayed, flat and/or germinated beans; and

(b) ten 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.

(e) *Buying Allowances*

The Block Buying Allowances paid by the Board to its licensed buying agents during the season are shown below in comparison with those paid in 1958-59:

<i>Cocoa delivered to Board Stores, Apapa:</i>					1959-60			1958-59		
					£	s	d	£	s	d
Grade I	...	...	...	...	13	8	0	13	1	6
Grade II	...	...	...	...	13	0	6	12	13	3

					1959-60	1958-59				
<i>Cocoa delivered on board ocean-going vessels, Benin Ports:</i>										
Grade I	14	3	4	13	14	0
Grade II	13	15	10	13	5	9

9. Producer Prices Paid

The producer prices fixed by the Board for the season were as follows:

					Main Crop (per ton)	Light Crop (per ton)
Grade I	...	...	...	...	£160	£160
Grade II	...	...	...	...	£145	£145

These prices were fixed by the Board during the last quarter of the 1958-59 cocoa season. Although an underlying downward trend in world cocoa values was perceptible at the time, selling prices were still maintaining satisfactory levels, largely due to the buying activities of manufacturers to rebuild stocks seriously depleted in the preceding season. On the other hand manufacturers were holding comfortable inventories, and expectations of a still heavier world crop in 1959-60 overhung the market. In that circumstance, a probable average return of about £240 per ton f.o.b. was considered a safe, conservative forecast of what the Board might expect from its trading operations in the coming season.

Having regard to the outlook on the market, indicated above, a cautious producer price policy was considered prudent for the 1959-60 cocoa season. Due note was however taken of the fact that a number of consumer goods from overseas had become liable to increased import duties since January 1959, and that the consequential rise in retail prices could not but have had some diminishing effect on the real income of farmers. As appreciated by the Board its responsibility for promoting the well-being of farmers placed on it an obligation to redress as far as possible such diminution as might occur in the latter's real income due to a rising cost of living. More important, the Board was satisfied that the state of its finances was such as could sustain a modest increase in producer prices within the context of the selling prospects forecast for 1959-60. A price increase was therefore considered justified.

In considering the size of that increase the Board invariably took into account its commitment in respect of the scheme financed by it for subsidising the retail prices of approved cocoa spraying chemicals. The Board therefore decided that the basic producer price for Grade I cocoa should be increased by £10 per ton over that paid in 1958-59, and that the price differential between Grades I and II be maintained at the existing level.

The prices fixed were endorsed by the Western Region Cocoa Representative Committee and were approved by the Minister responsible for Marketing Board affairs with the prior concurrence of the Governor in Council. These prices are shown below in comparison with those paid in each of the three previous seasons:

					1959-60	1958-59	1957-58	1956-57
MAIN CROP					£	£	£	£
Grade I	...	...	...	...	160	150	150	150
Grade II	...	...	...	...	145	135	135	135
LIGHT CROP								
Grade I	...	...	...	...	160	150	150	150
Grade II	...	...	...	...	145	135	135	135

10. Tonnage Purchased

Purchases declared during the season are shown below in comparison with those made in each of the three previous seasons:

	1959-60	1958-59	1957-58	1956-57
	<i>tons</i>	<i>tons</i>	<i>tons</i>	<i>tons</i>
Main Crop	130,318	112,832	67,974	115,704
Light Crop	16,042	18,681	5,681	12,712
	<hr/>	<hr/>	<hr/>	<hr/>
	146,360	131,513	73,655	128,416

11. Quality of Purchases

The tonnage of cocoa marketed in Grade II in 1959-60 represented a slightly higher percentage of the total than that for 1958-59. This deterioration in quality must be attributed largely to long storage up-country, which became unavoidable during the season, necessitating the down-grading of a number of parcels originally of Grade I quality.

The West African Stored Products Research Unit embarked during the year on experiments into the possibility of protecting cocoa during long periods of storage. These storage trials, if successful, should have far-reaching effect for good.

The tonnage marketed in each grade in 1959-60, expressed as a percentage of total purchases, is shown below, together with similar figures for the previous three seasons:

	1959-60	1958-59	1957-58	1956-57
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
Grade I	98.06	98.96	96.83	98.32
Grade II	1.94	1.04	3.17	1.68
	<hr/>	<hr/>	<hr/>	<hr/>
	100.00	100.00	100.00	100.00

12. Evacuation and Storage

The pace of evacuation of graded stocks from up-country to port was satisfactory on the whole. It was, however, necessary to restrict evacuation to Apapa during the peak period, as the clearance of stocks from the Board's stores for shipment was considerably slowed down by difficult selling conditions.

B.—1960 COTTON MARKETING OPERATIONS

13. General Review

The upward trend in the exportable surplus of Ishan Seed Cotton coming forward for purchase by the Board continued during the 1960 season. A big upsurge in production is nevertheless still necessary for the Region's cotton export industry to gain in relative importance and prosper well.

It is noteworthy in this connection that the Regional Ministry of Agriculture and Natural Resources has been actively investigating the possibility of improving and expanding the industry. This investigation is principally concerned with the introduction of a cotton variety sufficiently high-yielding to allow an organised cultivation of the crop.

As regards overseas sales the 1960 Ishan Cotton crop was sold at an average f.o.b. price of 19.05*d* per pound for Lint and £17 per ton for seed. The bulk of the cotton purchased was Grade I.N. 3, and for the third season in succession the Board incurred a substantial loss of about £12,360 on its 1960 cotton trading operations.

14. Marketing Arrangements made

(a) Marketing Scheme

A copy of the Marketing Scheme issued for the 1960 cotton season is attached as Appendix II.

(b) Opening and Closing of the Season

The buying season lasted from midnight 18th/19th February, 1960, to midnight 23rd/24th June, 1960.

(c) Grades and Standards of Quality prescribed for Export

The grades and standards of quality prescribed by the Federal Minister of Commerce and Industry for Ishan Seed Cotton to be purchased for export were as follows:

Grade I.N. 1.—Improved Ishan Seed Cotton grown in Nigeria containing not more than three *per centum* (by volume) of ordinary native seed cotton and not more than ten *per centum* (by volume) of damaged or stained seed cotton and which, as regards freedom from leaf and other foreign matter, conforms to the standards fixed for this grade.

Grade I.N. 2.—Improved Ishan Seed Cotton grown in Nigeria containing not more than three *per centum* (by volume) of ordinary native seed cotton and not more than twenty *per centum* (by volume) of damaged or stained seed cotton and which, as regards freedom from leaf and other foreign matter, conforms to the standard fixed for this grade.

Grade I.N. 3.—Improved Ishan Seed Cotton grown in Nigeria containing not more than thirty *per centum* (by volume) of damaged or stained seed cotton and which, as regards freedom from leaf and other foreign matter, conforms to the standard fixed for this grade.

(d) Appointment of Licensed Buying Agents

All the six licensed buying agents operating under the 1959 cotton marketing scheme gave satisfactory performance and were re-appointed for the 1960 buying season. None of the two applications received for appointment as licensed buying agents under the 1960 marketing scheme was accepted.

The names of the licensed buying agents appointed are shown in paragraph 6 of Appendix II to this Report.

(e) Ginning Arrangement

The British Cotton Growing Association was reappointed as the Board's licensed ginning agent for the 1960 season. The Association continued to operate one ginnery in the Western Region at Oshogbo.

(f) *Buying Allowances*

The Block Buying Allowances agreed with the Committee of the Board's licensed buying agents for the season are shown below in comparison with those paid in the two preceding seasons:

	1960			1959			1958		
	(Per ton)								
	£	s	d	£	s	d	£	s	d
I.N. 1	10	0	9	10	0	7	10	9	10
I.N. 2	9	18	5	9	18	6	9	7	1
I.N. 3	9	13	9	9	14	4	9	1	9

15. Producer Prices paid

In view of market uncertainties no guaranteed minimum pre-planting producer prices were announced by the Board for Ishan Seed Cotton to be marketed in 1960.

The final producer prices fixed for the 1960 cotton buying season were as follows:

	Price per lb of seed Cotton at all markets	
I.N. 1	5.75d
I.N. 2	5.50d
I.N. 3	5.00d

When the Board met on 9th January, 1960, to fix the above producer prices it had become certain that its 1959 cotton trading operations had been financially unsuccessful, and that the deficit involved would be in the neighbourhood of £30,000.

On the other hand the market had become less nervous following the satisfactory progress made by the United States in the disposal of cotton. There was an improvement in the level of demand, and manufacturers were hopeful that mill consumption would be well maintained during the coming year. In view of this improved situation, it was forecast by the Nigerian Produce Marketing Company Limited, that the Board might expect an average return of 16/17d per pound for Ishan Lint and £18 per ton for Seed in 1960.

According to calculations made, the selling prices forecast were low to support the existing producer prices. The Board noted, however, that its cotton reserve, which stood at £1,039 at 30th September, 1958, had benefitted during the year to the tune of £42,339, being its final share from the liquidation of the Nigerian Cotton Marketing Board, and that this timely payment had somewhat strengthened its financial position in respect of this crop. After careful consideration, therefore, it was decided that the producer prices for cotton should be retained at their 1959 levels for 1960 in the interest of price stability and in order not to discourage production.

Nevertheless, due note was taken by the Board that its cotton reserves were almost exhausted, and that there might soon be no accumulated funds left for cotton price stabilization. In that event, it might become inevitable in future years to fix cotton producer prices at realistic levels based on what the market could bear.

The producer prices fixed for 1960, which were the same as those paid in the three previous seasons, were endorsed by the Western Region Cotton Representative Committee and approved by the Minister responsible for Marketing Board affairs with the prior concurrence of the Governor in Council.

16. Tonnage purchased

Purchases made throughout the season are set out below by grades in comparison with those made in 1959:

	1960		1959	
	Tons	%	Tons	%
Grade I.N. 1 ...	8	0.30	10	0.58
Grade I.N. 2 ...	8	0.30	10	0.58
Grade I.N. 3 ...	2,630	99.40	1,723	98.84
	<hr/> 2,646	100.00	<hr/> 1,743	100.00

The 1960 tonnage represented an all-time post-war record and was 903 tons or 51.81 per cent above the corresponding 1959 figure.

To facilitate the marketing of this increasing crop, additional buying stations have continued to be established by the Board. The bulk of purchases in the 1960 buying season came from Oshogbo, Ilesha and Ado-Ekiti in that order.

17. Quality of Purchases

Quality standard suffered a further set-back during the season. It is recalled that for the first time since the revival of production for export in 1954, ten tons of Ishan Seed Cotton were marketed in Grade I in 1957, representing 0.69 per cent of the total. The corresponding percentage purchase in 1958 was 1.05 per cent, but this slipped back to 0.30 per cent for the 1960 buying season. The bulk of production for export continued to be of Grade III quality.

18. Evacuation

Evacuation of Seed Cotton from buying stations to the Oshogbo ginnery proceeded satisfactorily during the season and no difficulties were encountered in obtaining adequate rolling stocks from the Nigerian Railway Corporation for the clearance of baled cotton lint and seed to Apapa for shipment.

19. Ginnery Operation

The season's cotton crop yielded 730 tons of cotton lint and 1,879 tons of cotton seed. Comparative production results obtained from the 1959 and 1960 crops were as follows:

	1960		1959	
	Percentage	Percentage	Percentage	Percentage
Lint production ...	27.6	28.5	71.1	70.0
Seed production ...	71.1	70.0	1.3	1.5
Wastage ...	1.3	1.5		

C.—1960 OIL PALM PRODUCE MARKETING OPERATIONS

20. General Review

There was a slight decline of 894 tons in the production of palm kernels during 1960 compared with the position in 1959. The extent to which this decline could be attributed to an actual fall in output or to illegal export of palm kernels into the

neighbouring territory of the Republic of Dahomey had not been easy to assess. The measures instituted by the Regional Authorities to discourage these diversionary movements were however maintained effectively during the year and there seemed to be a decrease in the illegal export of palm kernels across the border.

The quantity of Palm Oil purchased for export during the year also showed an all-round improvement on the position in 1959; the overall increase obtained in all grades being 311 tons.

The market value of edible palm oil at the beginning of 1960 compared favourably with the high closing prices of the previous year, but thereafter declined steadily until the middle of the year. A slight recovery then took place and for the remainder of the year the price fluctuated only within very narrow limits. The price of technical palm oil, although showing a slight downward tendency, remained fairly steady throughout the year.

Although the supply position of copra improved as anticipated, the market for Palm Kernels remained relatively firm and prices declined only gradually. The loss sustained on Palm Oil was more than offset by the surplus on Palm Kernels and the Board realised a net surplus of about £2,167,430 on its trading operations.

21. Marketing Arrangements made

(a) Marketing Schemes

Apart from minor textual amendments, the 1960 marketing schemes for Palm Kernels and Technical Palm Oil followed the lines of those issued in the previous year. That for Special Grade Palm Oil was revised in part with a view to promoting further improvement in the quality of this grade of oil shipped overseas.

Unlike the procedure in the preceding year Special Grade Palm Oil presented by licensed buying agents for bulking or shipment in drums were made subject in 1960 to check-test by the Western Region Produce Inspection Service at the time of delivery to bulk oil plants or on board ocean-going vessels. Where the Produce Inspection test revealed that the oil content of any drum is more than 4.5 per cent F.F.A. that oil was rejected for bulking or shipment as Special Grade Oil. By thus excluding parcels with a higher F.F.A. content, the quality of Special Grade Palm Oil purchased by the Board for export was rendered less exposed to deteriorating influences.

The marketing schemes which were agreed with the Western Region Licensed Buying Agents' Committee are attached as Appendices III, IV and V to this Report.

(b) Opening and Closing of the Marketing Year

The 1959 Oil Palm Produce Marketing Year closed at midnight 24th/25th December, 1959, and the 1960 marketing year opened a week after at midnight 1st/2nd January, 1960, to allow for stock-taking and cleaning of produce stores in the moratorium period.

(c) Appointment of Licensed Buying Agents

Four of the fifty-three licensed buying agents operating under the 1959 Palm Kernels Marketing Scheme were not re-appointed for 1960. The licences of all the nine buying agents appointed under the 1959 Palm Oil Marketing Schemes were however renewed for the 1960 Marketing Year.

Of the seventeen applicants for first appointment as licensed buying agents under the 1960 Marketing Schemes, five were granted licences for Palm Kernels and one for Palm Oil.

The names of the licensed buying agents appointed for 1960 are listed in the appropriate Marketing Schemes attached as Appendices to this Report.

(d) *Grades and Standards of Quality prescribed for Export*

The following were the grades and standards of quality prescribed by the appropriate Federal Authority, after consultation with all the bodies concerned as required under the Export of Nigerian Produce Ordinance (No. 36 of 1958):—

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.

Palm Oil.—The standard 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 substance and which has not been adulterated.

(i) *Special Grade Oil.*—Exportable Palm Oil containing not more than 3.5 per cent of free fatty acid at time of purchase.

(ii) *Technical Palm Oil.*—Grade I: Exportable Palm Oil containing more than 3.5 per cent but not more than 9 per cent of free fatty acid.

Grade II: Exportable Palm Oil containing more than 9 per cent but not more than 18 per cent of free fatty acid.

Grade III: Exportable Palm Oil containing more than 18 per cent but not more than 30 per cent of free fatty acid.

(e) *Buying Allowances*

The Buying Allowances paid to licensed buying agents are set out below in comparison with those paid in 1959:

	1960			1959		
	£	s	d	£	s	d
(a) Palm Kernels delivered on board ocean-going vessels, Benin Ports.	7	15	6	6	9	5
(b) Palm Kernels delivered on board ocean-going vessels, Lagos/Apapa.	7	13	6	6	9	5
(c) Palm Kernels delivered to Board Stores, Apapa ...	7	3	2	5	16	5
<i>Special Grade Palm Oil</i>						
Deliveries to Bulk Oil Plant	11	1	8	12	6	11
Shipments in drums	12	16	2	14	2	2
<i>Technical Palm Oil (in casks)</i>						
Grade I	11	10	8	12	15	6
Grade II	11	3	8	12	9	0
Grade III	10	15	8	12	1	7
<i>Technical Palm Oil (in Drums)</i>						
Grade I	10	11	7	12	0	2
Grade II	10	4	7	11	10	9
Grade III	9	16	7	11	1	6

22. Producer Prices paid

The producer prices fixed by the Board for the 1960 Marketing Year are as follows:

	Per ton
	£
<i>Palm Kernels</i>	
Naked ex-scale port of shipment price	30
<i>Palm Oil:</i>	
Naked ex-scale port of shipment/Bulk Oil Plant:	
<i>Special Grade</i>	54
<i>Technical Grade</i>	
Grade I	45
Grade II	38
Grade III	30

At the time the Board met in November 1959 to fix the above producer prices, there were indications of a steady improvement in the supply position of copra as well as in those of soft oils, lard and whale oil. Whilst it was not envisaged that this development would have an immediate impact on market prices, it was felt that the average returns for 1960 were likely to be appreciably lower than those realised in 1959.

Calculations made indicated that at the current level of producer prices the average f.o.b. returns forecast for 1960 by the Nigerian Produce Marketing Company Limited, were likely to involve a small trading loss on Special Grade Palm Oil whilst overall the Board might probably break even or secure a moderate profit on its Oil Palm Produce trading operations. As noted in this connection, a rise in marketing costs was unavoidable in 1960 following recent general increases in salaries and wages. The Board was, however, of the view that a continuing increase in the annual production of higher grade oil for export was in the best interest of the Region's economy and fully justified the support which had all along been given to that grade of oil.

After carefully reviewing all relevant facts and considerations, therefore, the Board decided to retain the 1959 Oil Palm Produce producer prices unchanged for 1960. The prices fixed were endorsed by the Western Region Oil Palm Produce Representative Committee and were later approved by the Minister responsible for Marketing Board affairs with the prior concurrence of the Governor in Council. These prices are shown below in comparison with those paid in each of the preceding three years:

	1960	1959	1958	1957
	(Per ton)			
	£	£	£	£
<i>Palm Kernels</i>				
Naked ex-scale port of shipment price	30	30	30	31
<i>Palm Oil</i>				
Naked ex-scale port of shipment/Bulk Oil Plant:				
<i>Special Grade</i>	54	54	54	54
<i>Technical Grade</i>				
Grade I	45	45	45	45
Grade II	38	38	38	38
Grade III	30	30	30	30

23. Tonnages purchased

(i) *Palm Kernels*—196,680 tons of Palm Kernels were purchased in 1960, representing a decrease of 894 tons or 0.45 per cent on the preceding year's record.

(ii) *Palm Oil*—19,129 tons of Palm Oil of all grades were purchased throughout the year. This represented an increase of 311 tons on the previous year's purchases as the following comparative table indicates:—

	1960 tons	1959 tons
Special Grade Palm Oil	939	808
Technical Palm Oil	14,262	14,009
Plantation Palm Oil	3,928	4,001
	<u>19,129</u>	<u>18,818</u>

24. Quality of Purchases

(i) *Palm Kernels*.—"First quality" Palm Kernels continued to be purchased and every endeavour was made during the year to ensure, by careful grading and check-testing, that the total defective content in each parcel for shipment was within the franchise allowed.

(ii) *Palm Oil*.—A continuing improvement was realised in the tonnage of Palm Oil marketed in the higher grades but oil of Technical Grade quality was preponderant, as in past years.

The following comparative table set out in tons and percentagewise the quantities of Palm Oil purchased in each grade in 1959 and 1960:—

	1960		1959	
	Tons	%	Tons	%
Special Grade Palm Oil	939	4.91	808	4.3
Technical Palm Oil:				
Grade I	8,528	44.58	7,668	40.7
Grade II	3,079	16.10	3,597	19.1
Grade III	2,655	13.88	2,744	14.6
Plantation Palm Oil	3,928	20.53	4,001	21.3
	<u>19,129</u>	<u>100.00</u>	<u>18,818</u>	<u>400.0</u>

25. Evacuation and Storage

Palm Kernels and Palm Oil were evacuated from up-country to port stores and bulk oil plants respectively without insurmountable difficulties.

Plantation Palm Oil was partially brought under the normal bulking arrangements during the year but a substantial quantity of this oil would continue to be shipped in drums as in the past to preserve its carotene content.

26. Local Sales

Palm Kernels sold to Messrs Lever Brothers (Nigeria) Limited for local processing in 1960 totalled 1,215 tons.

27. General Review

A survey conducted into the production of Grape-fruit and Lemons in the Region during the 1958-59 season revealed that very little quantities of the varieties prescribed for export were available outside the areas to which the Board's operations were currently confined. Where fruit of the required type existed elsewhere in the Region, the quantities available were found to be small per orchard and scattered over such a wide area as to render handling uneconomical. In the circumstance the harvesting of fruits for export was again restricted to the Agege, Ijebu, Abeokuta and Ibadan areas during the 1959-60 season.

Increased yield largely attributable to favourable weather conditions was secured in respect of Grape-fruit and more fruit was available for shipment with a consequential reduction in overhead cost per unit of export. Although prices realised on the shipments of grape-fruit made averaged 21s per case f.o.b. compared with 34s in 1958-59, the Board was able to realise a margin on its 1959-60 operations as against the deficits incurred in the first two seasons of the scheme.

The export of Lemons was handled during the season on an account-sales basis for the Western Nigeria Development Corporation, the only known suppliers of Lisbon Lemons in the Region. Sales proceeds less expenses were passed to the Corporation and no loss was incurred by the Board.

28. Marketing Arrangements made

(a) Marketing Scheme

Harvesting was by casual labour employed and trained by the Board. Fruits picked were collected into field boxes and conveyed by Board's employees to collecting centres from where they were transported to the packing house at Abeokuta for selection, cleaning, grading and packing for export. Unlike in the previous seasons, farmers were exempted during 1959-60 from the financial burden of conveying fruit in field boxes to the collecting centres.

Grape-fruit and Lemons continued to be exported under the Trade Mark "AGEGE BRAND".

(b) Opening and Closing of the Season

The 1959-60 season for the marketing of the main crop opened on 20th August, 1959, and was brought to a close on 2nd December, 1959.

(c) Varieties of Fruits Prescribed for Purchase

As in previous seasons the varieties of grape-fruit and lemons prescribed for export in the 1959-60 season were as follows:

Marsh-seedless Grape-fruit

Lisbon Lemons

Eureka Lemons.

The last mentioned was, however, not available for purchase.

Fruits not considered of exportable standard were rejected at the packing house and sold to the Lafia Canning Factory for processing.

29. Producer Prices paid

The producer prices fixed for grape-fruit and lemons for 1959-60 were as follows:

Marsh-seedless Grape-fruit	6s 6d per 200 lb (on the tree)
Lemons (of exportable standard only) ...	6s 6d per 200 lb (on the tree).

In fixing the above producer prices the Board took note that the prices paid in 1958-59 for Marsh-seedless Grape-fruit would not appear to have been sufficiently attractive to encourage expansion of the acreage under cultivation or induce growers to rehabilitate their farms. As generally realised, however, the quantity of fruit exported must increase substantially if the Board's trading operation should become profitable.

Market prospects forecast for the 1959-60 season were good and showed that higher prices could be obtained provided more fruit came forward early in the season to take advantage of the short supply of fruits of other origins usually experienced on the United Kingdom market around August/September. Moreover, the Board was unanimously of the view that the Fresh Fruit scheme was still at an experimental stage and should be given every necessary assistance while the basic problem of production and marketing were resolved and a definite course laid for future development.

It was, therefore, decided to fix the 1959-60 producer prices for Grape-fruit at a level higher than that for 1958-59. As an added inducement, it was further decided that the cost of harvesting and transporting harvested fruits from farms to collecting points should be borne by the Board, not by farmers as in the two previous seasons.

The prices fixed were subsequently approved by the Minister responsible for Marketing Board affairs with the prior concurrence of the Governor in Council and are shown below in comparison with those paid in the two previous seasons:

	On the tree 1959-60	Naked ex-scale Collection point	
		1958-59 (per 200 lbs)	1957-58
	s d	s d	s d
Grape-fruit (Marsh-seedless)	6 6	5 6	6 6
Process Fruit:			
Grade I	—	—	5 7
Grade II	—	—	2 9
Lemons (of exportable quality only) ...	6 6	5 6	—

30. Tonnages purchased and shipped

A total of 383 tons of Marsh-seedless Grape-fruit was harvested during the season of which 233 tons were exported. These represented increases of 77 tons and 82 tons respectively on the corresponding statistics for the previous 1958-59 season; the increase being largely attributable to better care of orchards by farmers. The balance of 150 tons of grape-fruit not considered suitable for export was sold to Lafia Canning Factory, Ibadan.

Packs of eight different sizes of grape-fruit were shipped during the season against six in 1958-59. These eight packs were 40, 48, 56, 64, 80, 96, 112 and 126 grape-fruit per case respectively.

The types of boxes used in packing and the number of boxes of each size of grapefruit shipped overseas were as follows:

No. of counts	No. of cases under each count		
	$\frac{1}{2}$ box 74	box 66	box 74
40	1,296	—	—
48	1,504	—	—
56	99	—	—
64	—	541	573
80	—	2,237	489
96	—	1,314	588
112	—	143	190
126	—	110	6
	2,899	4,345	1,846

III.—SELLING ARRANGEMENTS

31. Nigerian Produce Marketing Company Limited

The Nigerian Produce Marketing Company Limited (Registered in Nigeria) owned jointly by the Regional and the Southern Cameroons Marketing Boards, continued to have responsibility for the export, shipment and overseas sales of Marketing Board produce. The executive agent of the Company in Nigeria remained the Federal Department of Marketing and Exports. The implementation of sales policy and the direction of day-to-day sales rested with the Company's branch in London at the head of which was the Managing Director.

32. Operational relationship between the Western Region Marketing Board and the Nigerian Produce Marketing Company Limited.

The sale and shipment of all controlled produce purchased by the Board continued to be effected by the Nigerian Produce Marketing Company Limited, in accordance with arrangements made by the latter's London Branch. The Company took over produce from the Regional Boards at time of delivery on board ocean-going vessels except in the case of Palm Oil, the point of take-over for which was the Bulk Oil Plants.

All produce was sold and shipped as Nigerian produce and sales proceeds were distributed by the Company to the Regional Boards in proportion to their deliveries in each sales period after deducting export duty, harbour dues, shipping expenses and a charge per ton of produce handled to cover its own operating costs.

33. Board's representation on the Directorate of the Nigerian Produce Marketing Company Limited.

Mr J. A. Akinyemi, who was one of the Board's representatives on the Directorate of the Nigerian Produce Marketing Company Limited, resigned his directorship during the year to contest election into the Federal House of Representatives. On the Board's nomination Rev. J. A. Iluyomade was duly appointed a Director of the Company to fill the resultant vacancy.

The other representative of the Western Region Marketing Board on the Board of Directors of the Company continued to be Mr S. L. Durosaro. Sir Odumegwu Ojukwu (formerly Mr L. P. Ojukwu) on whom the Honour of the Knighthood was conferred in the 1960 Queen's Birthday Honours List, was re-elected the Company's Chairman for the period under review.

IV.—FINANCIAL ALLOCATION FOR SCIENTIFIC RESEARCH AND ECONOMIC DEVELOPMENT

34. General

The Board has always considered its statutory duty to promote scientific research, the development of the producing industries and the prosperity of the people of Western Nigeria as of no less importance than the protection of farmers against temporary fluctuations in world commodity prices. As in past years, therefore, liberal financial contributions were made by it towards research and development in the period under review. The extent of these contributions are indicated in the following paragraphs.

35. Second Five-Year Development Programme for Western Nigeria 1960-65

The Second Five-Year Development Programme for Western Nigeria is set out in the Regional Government's Policy Paper "Western Region Development Plan 1960-65" (Sessional Paper No. 17 of 1959). As indicated therein, a total contribution of £21 million is required from the Board over five years towards the prosecution of the programme which includes the extension to rural areas of such projects as roads, water supplies, schools and public health centres, which cannot but result in direct and considerable benefits to the producers as well as the areas of production.

A sum of £6½ million was made available by the Board during the year as part of its contribution. It is recalled that for the First Development Plan 1955-60 the Board made an outright grant of £10 million and a loan in the same amount to the Regional Government.

36. Cocoa Research and Extension Work in the Region

The Board has agreed to continue its contribution towards the cost of the cocoa research and extension work of the Regional Ministry of Agriculture and Natural Resources during the period of the Second Development Programme, and to make available in this connection up to £750,000 each year.

Similar contributions made by the Board under the First Five-Year Development Plan 1955-60 amounted to over £3.7 million.

In this way, the Board tries to ensure that the Regional Ministry of Agriculture and Natural Resources would be able to plan ahead and tackle its research and extension work with confidence and without any financial handicap in acquainting farmers with the results of research into new agricultural techniques.

37. 1959-60 Special Road Development Programme

The importance of improving and expanding the Region's road network to facilitate communication in general, and the movement of produce in particular, has always been appreciated by the Board. In consideration of this, a sum of £1 million was made available by the Board during the year towards the cost of the 1959-60 Special Road Development Programme of the Western Nigerian Government.

38. Cocoa Spraying Subsidy Scheme

Farmers continued to enjoy during the year the benefits of the scheme financed by the Board for subsidising the prices of approved fungicides and insecticides for spraying against black pod and capsid diseases of cocoa.

The amount paid out in subsidy during 1959-60 was £228,140, bringing the total sum expended on the scheme since its introduction on 1st April, 1959, to £339,339.

This scheme is proving of immense assistance in rendering black pod and capsid diseases less devastating, and cocoa yields have continued to improve.

39. West African Stored Products Research Unit

The Board continued to participate in equal proportion with the Federal Government and the other Regional Marketing Boards in financing the annual cost of the West African Stored Products Research Unit. The Unit ceased during the year to be affiliated to the Federal Department of Marketing and Exports for purposes of administration following its constitution into a separate section of the Federal Ministry of Commerce and Industry. Laboratories are maintained by it in each Region and in Lagos.

Experimental work was carried out in Ibadan and Lagos during the period under review into problems connected with the fumigation of stored cocoa to test the efficacy of using fans for a more rapid extraction of gas. A survey of infestation in cocoa stores was also conducted in addition to investigations into weight changes in cocoa stored in bags.

Work on palm kernels consisted of studies into free fatty acid content of oil and methods of determining moisture content.

A more detailed account of the work of the Unit during the period under review is contained in its published Annual Report for 1960.

V.—BOARD'S ACCOUNTS AND FINANCIAL POSITION

40. Final Accounts

The Board's Accounts at Appendix VI to this Report comprise—

- (1) Balance Sheet as at 30th September, 1960.
- (2) Revenue Account for the year ended 30th September, 1960 and the following supporting schedules:—
 - (a) Produce Reserve Account.
 - (b) Schedule of Specific Reserve.
 - (c) Schedule of Investments.
 - (d) Schedule of Stocks, Sundry Debtors and Prepayments and Sundry Creditors and Accrued Expenses.
 - (e) Breakdown of Bank Deposit and Current Accounts.
 - (f) Cocoa Trading Account.
 - (g) Palm Kernels Trading Account.
 - (h) Palm Oil Trading Account.
 - (i) Cotton Trading Account.
 - (j) Cotton Processing Summary.
 - (k) Fresh Fruit Trading Account.

41. Summary of Trading Results

	£'000	£'000
Trading Surplus:		
Cocoa	1,099	
Palm Kernels	2,241	
Fresh Fruit	1	
	<hr/>	3,341
<i>less</i> Trading Deficit:		
Palm Oil	74	
Cotton... ..	12	
	<hr/>	86
Net Trading Surplus (£'000)	£	<u>3,255</u>

42. Investment Income

Investment income showed a further rise to £1,477,000 (against £1,134,000 for the previous year). On the other hand, Bank Charges and Interest payable by the Board were also higher at £118,000 (against £89,000 for the previous year). This represents an increase in net financial receipts of £314,000.

43. Cost of Board's Executive

Administrative Expenses (excluding financial charges and depreciation) were higher at £100,000 compared with £67,000 in the previous year.

44. Balance Sheet

There was a fall of just over £4 million in the net assets of the Board. The position is summarised below:

	£'000	£'000
Net Assets at 30th September, 1959 were		47,843
and Net Trading Surplus	3,255	
Revenue Surplus (before Transfers to Reserves)	965	
	<hr/>	4,220
		<hr/>
<i>less</i> Grants to Government:		
Western Region Government	6,675	
Western Region Ministry of Agriculture	750	
Road Development	1,000	
	<hr/>	8,425
		<hr/>
Net Assets at 30th September, 1960 were		<u>43,638</u>

VI.—CONCLUSION

45. General Review and Acknowledgement

The year 1959-60 is significant not so much for the financial results of the Board's trading operations which were comparatively less outstanding, but for the satisfactory improvement secured in production. A bumper cocoa crop was realised. Similar increases of lesser and varying degrees were also secured in the exportable surpluses of Palm Oil, Seed Cotton and Grapefruit, all of which must be attributed in some measure to the production drive of the Regional Authorities.

As generally known, cocoa constitutes at present the largest single source of revenue to the Western Nigeria Government. Underlying the upward trend in the production of this important cash crop is the planned programme of expansion vigorously pursued by the Regional Ministry of Agriculture and Natural Resources, assisted financially by the Western Region Marketing Board. Similar efforts in other producing countries are making notable headway, the combined result of which shows itself in a permanent and continuing increase in the level of world cocoa supply.

This development is welcomed by producing countries. It is probably more gratifying to the consuming countries as it provides not only an assured basis for business expansion but also a sense of satisfaction and relief that, barring crop failures due to poor weather conditions, exceptionally high prices for cocoa may now be regarded as a phenomenon of the past. In the absence of a corresponding increase in the rate of growth of consumption, however, the production situation now developing could not but have a depressing effect on cocoa prices, the possible consequences of which may prove deleterious to the economy of the primary producing countries.

The Western Region Marketing Board firmly believes that, for any solution to a problem of excess of world supply over world demand to achieve desired price results and have a permanent effect, it must be based on increased consumption. None the less it is highly desirable that suitable arrangements, jointly sponsored by producers and consumers, should be made for ensuring that world cocoa prices do not slump to levels likely to handicap progress in the producing countries whilst measures to expand consumption are being explored and initiated. An accommodating appreciation of the relative importance of cocoa to the economy of the producing countries as well as co-operation on all sides is thus called for and the next one or two years are likely to prove decisive in determining the extent to which both the producing and the consuming countries can come together to seek the greatest good of the greatest number of the peoples largely dependent on cocoa for their well-being and prosperity.

A noteworthy development during the year was the increasing difficulties experienced in disposing of the lower grades of Nigerian Technical Palm Oil on the world market. Underlying this problem are the difficulties which manufacturers have in bleaching the oil and the availability of plentiful supply of other cheap soap making materials generally preferred by manufacturers. This market situation is of some concern to the Board as the bulk of low grade Technical Palm Oil exported from Nigeria comes from the Western Region. The Regional Ministry of Agriculture and Natural Resources is however actively engaged on a programme for improving both the quantity and the quality of Palm Oil produced for export based on the replacement of wild palm groves with those of high yielding palms and on the substitution of efficient mechanical techniques of oil extraction for the laborious traditional methods.

The Board's main problem with Cotton as well as with Fresh Fruit continued to be inadequate supplies for export and low standards of quality. As stated earlier in this Report the possibility of improving and expanding the Region's Cotton industry based on organised cultivation of high yielding strains is being explored. Similar production efforts are proceeding apace in respect of Grapefruit and Lemons. The success of these programmes should open up new vistas for the Region's Cotton and Fresh Fruit export industries.

The financial results of the Board's 1959-60 trading activities were rendered comparatively less favourable by the downward trend in commodity prices. The overall trading margin secured on the year's operations on balance was £3,254,945

compared with over £10,000,000 in 1958-59. Nevertheless, the Board's financial contributions towards scientific research and economic development were maintained on a generous scale whilst the coincidence in the 1959-60 cocoa season of a higher producer price and a bigger crop enabled cocoa farmers to maximise income with satisfactory effect on the general level of prosperity in the Region.

The Board wishes to express its thanks to the members of its Staff for the efficient service rendered by them during the year and to place on record its appreciation of the unflagging co-operation it has continued to receive from the Produce Inspection Division of the Regional Ministry of Trade and Industry and from other Authorities in the Region. The co-operation of the Nigerian Produce Marketing Company Limited, as well as that of its executive agent, the Federal Department of Marketing and Exports, is also hereby acknowledged.

S. L. Durosaro	<i>Chairman</i>
Rev. E. T. Latunde, O.B.E.	Member
H.H. Lalubu II, the Olubara of Ibara ...	Member
H.H. Alademerin, Ajasun II, the Akija of Ikija...	Member
Rev. J. A. Iluyomade	Member
Kabiyesi Yaya Daiye, the Imah of Semolika ...	Member
Chief S. A. Daramola	Member
Alhadji L. O. Bello	Member
Mr J. A. Odeku	Member

**WESTERN REGION MARKETING BOARD
COCOA MARKETING SCHEME, 1959-60**

The Western Region Marketing Board will purchase the 1959-60 cocoa crop in the Western 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 1958-59 cocoa held by licensed buying agents will be dealt with in accordance with the existing instructions issued by or on behalf of the Board for the 1958-59 cocoa season.

Cocoa purchased by the Western Region Marketing Board will be shipped on behalf of the Board by the Nigerian Produce Marketing Company Limited.

The Executive of the Nigerian Produce Marketing Company Limited is the Department of Marketing and Exports. 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" Lagos.
The telephone number is LAGOS 20544.

Season

2. The buying season will open on the 4th September, 1959 and will continue until a date in 1960 to be announced later.

Executive of the Board

3. As notified in Western Regional Notice No. 388 published in the *Western Region of Nigeria Gazette* No. 28 of 24th April, 1958 the Federal Department of Marketing and Exports ceased to act as the executive of the Western Region Marketing Board as from the 1st April, 1958. Responsibility for the executive and secretarial duties hitherto performed by that Department for and on behalf of the Board has since then been assumed by the Board's own executive. The address of the Headquarters of the Board is—

WESTERN REGION MARKETING BOARD,
STONES ROAD,
PRIVATE MAIL BAG No. 5032,
IBADAN.

The cable and telegraphic address is "WESTMARK", Ibadan.
The telephone number is IBADAN 22736.

The address of the Lagos office of the Board is—

THE OFFICER-IN-CHARGE,
WESTERN REGION MARKETING BOARD,
CONSTANZA HOUSE,
72 CAMPBELL STREET,
LAGOS.

The telegraphic address is "WESTMARK" Lagos.
The telephone number is LAGOS 20544.

Instructions to Licensed Buying Agents

4. (a) *Crop Purchase*—The executive of the Board will issue to licensed buying agents the necessary instructions regarding—

- (i) Transport Differentials and Subsidies (see paragraph 12)
- (ii) Purchase and Stocks Returns... .. (see paragraph 13)
- (iii) Marking of Bags (see paragraph 21)
- (iv) Produce Sales Tax (see paragraph 23)

and all other matters relating to crop purchase and evacuation.

(b) *Shipment*.—The Department of Marketing and Exports as the executive of the Nigerian Produce Marketing Company Limited will issue to licensed buying agents the necessary instructions regarding—

- (i) Checkweighing... .. (see paragraph 18)
- (ii) Shipping Instructions and Documents (see paragraph 19)
- (iii) Shipping Expenses (see paragraph 20)

and all other matters relating to export and shipment.

Policy

5. The Western Region 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 or delivered into Board stores 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 Western Region Marketing Board for the 1959-60 season.

Licensed Buying Agents

6. The Board's licensed buying agents are—

- N. Abizakhem
- Abok and Company
- Adefolu Brothers
- Adeleye Brothers
- G. Afolabi Ibironke and Sons
- J. L. Alawode and Sons
- Alatishe Brothers Limited
- Aralamo Trading Stores
- Association of Nigerian Co-operative Exporters Limited
- Atinuke Brothers
- A. O. Bakare and Sons
- Boladale Trading and Transport Service
- Bolade Commercial Association
- Compagnie Francaise de l'Afrique Occidentale
- Daramaja Produce Stores
- Ebenezer Trading Company
- Flionis Brothers Limited
- G. L. Gaiser (Nigeria) Limited
- Ibadan Traders Association Limited

Idiara Trading Company
 Ifelodun Trading Company
 Ijebu-Murè Trading and Transport Company Limited
 Ijebu Traders Association Limited
 Ijesha United Trading and Transport Company Limited
 John Holt and Company (Liverpool) Limited
 Kajola Kawusi Stores
 A. G. Leventis and Company Limited
 Luba Confirming Agencies Limited
 Luwaji and Ademiluyi Trading Stores
 Mandilas and Karaberis Limited
 M. Oguntula and Sons
 Okunowo Brothers
 A. O. Olufowobi Brothers
 S. A. Oladapo and Company
 G. B. Ollivant (Nigeria) Limited
 Olu-Iwa Trading Company
 L. Omole and Sons Limited
 Omotayo Brothers
 Otele Brothers
 Paterson Zochonis and Company Limited
 Rowntree-Fry-Cadbury (Nigeria) Limited
 Royal Brothers Limited
 Saliu Adetola and Sons
 Tiwantiwa Trading Company
 Union Trading Company Limited
 United Africa Company of Nigeria Limited
 Western Produce Traders Syndicate
 C. Zard and Company Limited
 L. Zard
 N. K. Zard and Company.

Functions of Licensed Buying Agents

7. The main functions are—

- (a) To purchase at gazetted buying stations at not less than the minimum prices;
- (b) To arrange for inspection in accordance with the Produce Inspection 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 or delivery into Board stores;
- (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 evacuation routes without delay;
- (f) To comply with regulations and instructions regarding checkweighing and inspection at ports;
- (g) To arrange for delivery on board ocean-going vessel or into Board stores in accordance with instructions;

(h) To hand without delay shipping documents as required to the Department of Marketing and Exports;

(i) To insure against all risks, except such excepted risks as specified in paragraph 16, up to the time of shipment on board ocean-going vessel or delivery into Board stores in accordance with Board instructions.

Standard Cocoa (Main Crop) and Light Cocoa (Light Crop)

8. Cocoa of standard weight, *i.e.*, of which a sample of 300 beans weighs eleven ounces, or more, will be purchased throughout the year 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 year and treated as Light Crop.

Cocoa Grades

9. The cocoa grades applicable to the 1959-60 season are as defined in the Western Regional Notice No. 231 published in the *Western Region of Nigeria Gazette* No. 16 of the 7th of April, 1955, as amended by Western Regional Notice No. 713 published in the *Western Region of Nigeria Gazette* No. 44 of the 30th of August, 1956.

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

Buying Prices

11. The minimum buying prices for the 1959-60 season will be based on the following naked ex-scale port of shipment prices per net ton:—

	Standard Cocoa (Main Crop)	Light Cocoa (Light Crop)
	£	£
Grade I	160	160
Grade II	145	145

The ports of shipment are Lagos/Apapa, Sapele, Warri and Burutu.

The minimum prices payable at gazetted up-country buying stations in the Western Region will be published in the *Western 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 and allowing for Produce Sales Tax. Middlemen's allowance will be included in the block buying allowance (*see* paragraph 22) as in the previous season.

Transport Differentials and Subsidies

12. Transport differentials will be fixed on the basis of evacuation by the approved normal route. Transport subsidies will be paid if necessary to permit evacuation by approved alternative routes with the object of avoiding deterioration by making maximum use of other means of transport. Details will be given in a separate Circular Instruction.

Purchase and Stock Returns

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

Quality

14. Licensed 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 Western Region 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 Western Region 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-tester, then provided the licensed buying agent and all persons operating on his behalf have taken all normal precautions to prevent deterioration, the licensed buying agent concerned will be entitled to apply to the appropriate officer of the Western Region 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.

Deterioration

15. Licensed 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 or delivery into Board stores except where deterioration may have occurred through no fault of the licensed buying agent or any agent employed by him. In such cases, the issue of a Deterioration Certificate will be considered by the Western Region Produce Inspection staff at the licensed 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 Western Region 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 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. If exceptional evacuation difficulties are encountered it is the duty of the licensed buying agent concerned to inform the Board's executive 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 down-grading licensed buying agents must ensure that the purchase and stock returns which they render to the Board's executive are amended accordingly. In cases of down-grading to No Grade licensed buying agents must also apply immediately to the Board's executive for instructions regarding disposal.

Loss and Damage: Insurance

16. Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessel or delivery into 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, 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.

Risks directly arising out of transfers from shallow to deep water ports will be borne by the Board provided that such transfers have been programmed and notified to the Department of Marketing and Exports and are carried on an intermediate Bill of Lading.

Standard Pack and Loss in Weight

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

Checkweighing

18. 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 Nigerian Produce Marketing Company Limited. If checkweighing discloses that the weight of any one bag is less than $141\frac{1}{4}$ lbs gross (*i.e.*, the standard pack of $142\frac{1}{2}$ lbs gross less 1 lb franchise for loss in weight), the bag concerned will be returned to the licensed buying agent for standardisation.

Shipping Instructions and Documents

19. The Department of Marketing and Exports as the Executive of the Nigerian Produce Marketing Company Limited will issue shipping instructions to the licensed buying agents. As soon as cocoa has been placed on board ship the licensed buying agents will secure a complete set of on board Bills of Lading and any other necessary documents which may be required and hand them without delay to the Department of Marketing and Exports.

In all cases the consignor shown on the Bills of Lading will be the Nigerian Produce Marketing Company Limited: 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 1 ton net plus 36 lbs for tare.

Shipping Expenses

20. Export Duty and Harbour Dues will be paid direct by the Department of Marketing and Exports as the executive organisation of the Nigerian Produce Marketing Company Limited. The Department will issue the necessary instructions regarding the payment of shipping and lighterage charges.

Marking of Bags

21. The necessary Instructions regarding the marks to be placed on the bags containing cocoa will be given in a separate Circular Instruction.

Buying Allowances

22. The amount of the buying allowance fixed for the 1959-60 season will be announced shortly in a separate Circular Instruction. As in previous seasons the block buying allowance will include the middlemen's allowance, the amount of which will be announced at the same time as the total buying allowance.

Produce Sales Tax

23. A separate Circular Instruction will issue on this subject.

Payment

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

Extraordinary Expenses

25. Extraordinary expenses mean expenses other than those normally incurred in operating an efficient produce buying organisation. Claims for recovery of extraordinary expenses are to be made to the Board's executive only when buying agents are instructed by the Board to carry out their functions in an abnormal manner and this involves them in serious additional expense.

S. L. DUROSARO,
Chairman,
Western Region Marketing Board

Ibadan, 31st August, 1959.

Issued by the Western Region Marketing Board

WESTERN REGION MARKETING BOARD

1960 COTTON MARKETING SCHEME

The Western Region Marketing Board established under the Western Region Marketing Board Law (No. 10 of 1954) will purchase the exportable surplus of the 1960 cotton crop in the Western Region in accordance with the arrangements set out in the following paragraphs, which supersede all previous instructions on the subject of cotton marketing in the Region.

Season

2. The buying season will open on the 19th February, 1960, and will continue until a date to be announced later.

Executive of the Board

3. As notified in the Western Regional Notice No. 388 published in the *Western Region of Nigeria Gazette* No. 28 of 24th April, 1958, the Federal Department of Marketing and Exports ceased to act as the executive of the Western Region Marketing Board as from the 1st April, 1958. Responsibility for the executive and secretarial duties hitherto performed by that Department for and on behalf of the Board has since then been assumed by the Board's own executive. The address of the Headquarters of the Board is—

WESTERN REGION MARKETING BOARD,
STONES ROAD,
PRIVATE MAIL BAG No. 5032,
IBADAN.

The cable and telegraphic address is "WESTMARK" Ibadan.

The telephone number is IBADAN 22736.

The address of the Lagos Office of the Board is—

THE OFFICER-IN-CHARGE,
WESTERN REGION MARKETING BOARD,
CONSTANZA HOUSE,
72 CAMPBELL STREET,
LAGOS.

The telegraphic address is "WESTMARK" Lagos.

The telephone number is LAGOS 20544.

Instructions to Licensed Buying Agents

4. The Board's executive will issue to licensed buying agents the necessary instructions regarding—

(a) Transport Cost	... ..	(see paragraph 12)
(b) Purchase and Stock Returns, etc.	... ..	(see paragraph 13)
(c) Storage	... ..	(see paragraph 14)
(d) Payment	... ..	(see paragraph 16)

Policy

5. The Western Region Marketing Board will purchase through its Licensed Buying Agents all seed cotton which has been graded for export in accordance with the terms of this Memorandum and instructions issued thereunder. Purchases will be made by the Board on the basis of a minimum ex-scale flat rate buying station 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 the appropriate ginnery. Licensed buying agents will be required to purchase with reasonable regularity throughout the season at least the minimum tonnage of seed cotton stated in the Board's conditions of appointment of licensed buying agents.

Licensed Buying Agents

6. The Board's licensed buying agents for the 1960 season are the undermentioned firms:

Association of Nigerian Co-operative Exporters Limited
Ijesha United Trading and Transport Company Limited
John Holt and Company (Liverpool) Limited
G. B. Ollivant (Nigeria) Limited
Lawrence Omole and Sons Limited
The United Africa Company of Nigeria Limited.

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

Functions of Licensed Buying Agents

7. The main functions are—

- (a) to purchase seed cotton at gazetted buying stations at not less than the minimum prices;
- (b) to bag and arrange for storage according to instructions;
- (c) to finance purchases and arrange for transport of seed cotton to the appropriate ginnery by the approved routes without delay.

Grades of Seed Cotton

8. The grades of seed cotton which may be purchased at gazetted cotton buying stations in the Western Region are as follows:

Grade I.N. 1.—Improved Ishan seed cotton grown in Nigeria containing not more than three *per centum* (by volume) of ordinary native seed cotton and not more than ten *per centum* (by volume) of damaged or stained seed cotton and which, as regards freedom from leaf and other foreign matter, conforms to the standard fixed for this grade.

Grade I.N. 2.—Improved Ishan seed cotton grown in Nigeria containing not more than three *per centum* (by volume) of ordinary native seed cotton and not more than twenty *per centum* (by volume) of damaged or stained seed cotton, and which, as regards freedom from leaf and other foreign matter, conforms to the standard fixed for this grade.

Grade I.N. 3.—Improved Ishan seed cotton grown in Nigeria containing not more than thirty *per centum* (by volume) of damaged or stained seed cotton and which, as regards freedom from leaf and other foreign matter, conforms to the standard fixed for this grade.

Note.—The standard fixed for any of the above grades may be inspected on application to the Federal Ministry of Commerce and Industry, Lagos.

Insurance

9. Buying agents are responsible for all losses of and damage to seed cotton incurred from the time of purchase of the seed cotton until it has been weighed into the suction room of the appropriate ginnery. The allowance for insurance in the block buying allowance covers cost of insurance against all risks up to the time of weighing into ginnery suction room with the following exceptions:—

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.

Quality

10. Buying agents are responsible for ensuring that the seed cotton 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 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 grading is not conclusive evidence of quality.

Should cases of down-grading occur during the 1960 season the full circumstances of each case will be the subject of a detailed investigation by the executive of the Board and the licensed buying agent concerned with a view to determining the liability for any loss incurred.

If, as a result of any such investigation, it is established to the satisfaction of the Board that the down-grading has occurred through no fault of the licensed buying agent, then the latter will not be liable for any financial loss which might accrue from such down-grading.

Buying Prices

11. The prices payable at all gazetted buying stations in the Western Region are—

Grades							Price per lb
I.N. 1	...	...	...	...	...	...	5½d
I.N. 2	...	...	...	...	...	...	5¾d
I.N. 3	...	...	...	...	...	...	5d

Transport Costs

12. Licensed buying agents will be paid the cost of transporting seed cotton to the appropriate ginnery at the approved transport rates. Where in the interest of efficient marketing abnormal routes or special means of transport are utilised with

the prior approval of the Board's executive the costs involved will be reimbursed after due scrutiny by the Board's executive. Details of the approved transport rates and instructions regarding the submission and payment of claims for transport costs will be issued in a separate Circular Instruction.

Purchase and Stock Returns

13. Detailed instructions will be issued by the Board's executive in a separate Circular Instruction.

Storage and care of Seed Cotton

14. Buying agents will be required to make arrangements for the storage of seed cotton and to arrange for adequate protection against damage by fire, water or other agencies until such time as the seed cotton is delivered into the ginnery suction room.

Delivery into Ginneries

15. Consignments delivered to ginneries will be weighed by the British Cotton Growing Association as the Ginning Agent of the Board. These weights will be used as the basis for payment to licensed buying agents. Tare will be based on actual tare weight.

Buying Allowance and Payments

16. The amount of the buying allowance fixed for the 1960 season and the method of payment will be the subject of a separate Circular Instruction.

Extraordinary Expenses

17. Extraordinary expenses mean expenses other than those normally incurred in operating an efficient produce buying organisation. Claims for recovery of extraordinary expenses are to be made to the Board's executive only when buying agents are instructed by the Board to carry out their functions in an abnormal manner and this involves them in serious additional expense.

S. L. DUROSARO,
Chairman,
Western Region Marketing Board

Ibadan, 15th February, 1960.

Issued by the Western Region Marketing Board

Memorandum No. WR/60/PK

WESTERN REGION MARKETING BOARD

1960 PALM KERNELS MARKETING SCHEME

The Western Region Marketing Board, established by the Western Region Marketing Board Law, 1954 (No. 10 of 1954) will purchase "first quality" palm kernels in the Western Region for export during the period of the 1960 Palm Kernels Marketing Scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the marketing of palm kernels in the Region.

Stocks of 1959 palm kernels held by licensed buying agents will be dealt with in accordance with instructions issued under the 1959 Palm Kernels Marketing Scheme.

Palm Kernels purchased by the Western Region Marketing Board will be shipped on behalf of the Board by the Nigerian Produce Marketing Company Limited. The executive agent of the Company is the Department of Marketing and Exports and 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" Lagos.

The telephone number is LAGOS 20544.

Duration of Scheme

2. The period covered by the 1960 palm kernels marketing scheme will be from 1st January, 1960 until a closing date to be announced later.

Executive of the Board

3. As notified in Western Regional Notice No. 388 published in the *Western Region of Nigeria Gazette* No. 28 of 24th April, 1958 the Federal Department of Marketing and Exports ceased to act as the executive of the Western Region Marketing Board as from the 1st April, 1958. Responsibility for the executive and secretarial duties hitherto performed by that Department for and on behalf of the Board has since then been assumed by the Board's own executive. The address of the Headquarters of the Board is—

WESTERN REGION MARKETING BOARD,
STONES ROAD,
PRIVATE MAIL BAG No. 5032,
IBADAN.

The cable and telegraphic address is "WESTMARK" Ibadan.

The telephone number is IBADAN 22736.

The address of the Lagos Office of the Board is—

THE OFFICER-IN-CHARGE,
WESTERN REGION MARKETING BOARD,
CONSTANZA HOUSE,
72 CAMPBELL STREET,
LAGOS.

The telegraphic address is "WESTMARK" Lagos.

The telephone number is LAGOS 20544.

Instructions to Licensed Buying Agents

4. (i) *Crop Purchase*.—The Board's executive will issue to licensed buying agents the necessary 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) Produce Sales Tax (see paragraph 19)
- (e) Payment (see paragraph 20)
- (f) Local Sales (see paragraph 22)

and all other matters relating to crop purchase and evacuation.

(ii) *Shipment*.—The Department of Marketing and Exports, as the executive agent of the Nigerian Produce Marketing Company Limited will issue to licensed buying agents the necessary instructions regarding—

- (a) Checkweighing (see paragraph 15)
- (b) Shipping Instructions and Documents (see paragraph 16)
- (c) Shipping Expenses (see paragraph 17)

and all matters relating to export and shipment.

Policy

5. The Western Region Marketing Board will purchase through its licensed buying agents all palm kernels of "first quality" for export 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 time when the palm kernels are placed on board ocean-going vessel, or delivered into Board Stores in accordance with instructions. Palm Kernels produced on the plantations of Pamol Estate Limited in the Western Region will be taken over by the Board on the same terms as those purchased by licensed buying agents from other sources.

Licensed Buying Agents

6. The Board's licensed buying agents are—
- N. Abizakhem
 - Abok and Company
 - Adebola Brothers
 - Adeleye Brothers
 - Ademiluyi Trading Stores

Agunbe Trading Company
 Y. S. O. Agbomiyan and Sons
 J. A. Ajao Brothers
 Alatishe Brothers Limited
 J. L. Alawode and Sons
 Aralamo Trading Stores
 Association of Nigerian Co-operative Exporters Limited
 Atinuke Brothers
 A. O. Bakare and Sons
 Boladale Trading and Transport Service
 Bolade Commercial Association
 Compagnie Francaise de l'Afrique Occidentale
 Ebenezer Trading Company
 Flionis Brothers Limited
 G. L. Gaiser (Nigeria) Limited
 A. O. Gbenedio
 Ibadan Traders Association Limited
 Idiara Trading Company
 Ifelodun Trading Company
 Ijebu-Mure Trading and Transport Company Limited
 Ijebu Traders Association Limited
 Ijsha United Trading and Transport Company Limited
 John Holt and Company (Liverpool) Limited
 Joseph Asaboro
 Lareshin Brothers and Company
 Lawrence Omole and Sons Limited
 A. & B. Lemboye and Company
 A. G. Leventis and Company Limited
 Mandilas and Karaberis Limited
 C. S. Mandrides
 M. Oguntula and Sons
 Okunowo Brothers
 G. B. Ollivant (Nigeria) Limited
 A. O. Olufowobi Brothers
 Omotayo Brothers
 Omowunmi Stores
 Olugbemibola Okenla Trading Store
 Otele Brothers
 Paterson Zochonis and Company Limited
 Reece D. Edukugho Limited
 Rowntree-Fry-Cadbury (Nigeria) Limited
 Royal Brothers Limited
 S. Thomopulos and Company Limited
 Union Trading Company Limited
 United Africa Company of Nigeria Limited
 Western Produce Traders Syndicate
 Western Nigeria Development Corporation
 Wiso Commercial Syndicate
 C. Zard and Company Limited
 L. Zard
 N. K. Zard and Company

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

Functions of Licensed Buying Agents

7. The main functions are—

(a) to purchase palm kernels at gazetted buying stations at not less than the minimum price;

(b) to finance purchases and provide suitable storage until time of shipment;

(c) to arrange for inspection in accordance with Produce Inspection Regulations and to bag to standard weight as required by paragraph 14;

(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 evacuation routes without delay;

(f) to comply with regulations and instructions regarding checkweighing and inspection at port;

(g) to arrange for delivery on board ocean-going vessel or into Board Stores in accordance with such instructions as may be issued from time to time;

(h) to hand without delay, shipping documents as required to the Department of Marketing and Exports;

(i) to insure against all risks, other than those excepted risks specified in paragraph 18, up till the time of shipment on board ocean-going vessel or delivery into Board Stores.

“First Quality” Palm Kernels (see paragraph 1)

8. “First Quality” palm kernels are defined as palm kernels containing less than four *per centum* by weight of shell, fibre, rotten and decayed kernels and/or extraneous matter, and which are thoroughly dry and hard.

Buying Price

9. 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 means of evacuation; except that the naked ex-scale port of shipment price will be abated by the amount of Produce Sales Tax.

Transport Differentials and Subsidies

10. Transport differentials are fixed on the basis of evacuation by the most practical and expeditious routes. Details of transport differentials applicable to gazetted buying stations will be issued in a separate Circular Instruction. Transport subsidies will be paid if necessary to permit evacuation by approved alternative routes.

Purchase and Stock Returns

11. 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.

Responsibility for Loss and/or Damage

12. 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 Board Store. Cost of insurance against such risks is included as an item in the block Buying Allowance payable to licensed buying agents. [See paragraph 18 (e)]

Deterioration

13. 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 Western Region Produce Inspection Service at the licensed buying agent's written request. Deterioration certificates will only be issued where the licensed buying agent concerned satisfies the issuing Authority that deterioration is not the result of failure to take all reasonable precautions 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 licensed buying agent. In such cases no deterioration certificate will be issued unless the buying agent concerned can provide a thoroughly satisfactory reason for failure to evacuate promptly. Where evacuation difficulties are encountered, the licensed buying agent concerned is responsible for reporting the facts immediately to the Board's executive in order that steps can be taken to bring about an improvement or provide an alternative means of evacuation.

Standard Pack, Loss in Weight Allowance, Bags and Bag Markings

14. All palm kernels will be packed in new bags of at least "B" twill quality to standard pack of 185 lbs gross (tare $2\frac{1}{2}$ lbs per bag). A franchise of 3.5 lbs per nett standard pack of 182.5 lbs is granted to cover loss in weight between time of purchase and time of shipment.

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

Instructions regarding bag markings to be used during the 1960 Palm Kernels Marketing Scheme will be issued in a separate Circular Instruction.

Checkweighing

15. All parcels of palm kernels will be subject to 100 percent checkweighing before shipment in accordance with instructions to be issued by the Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited. If checkweighing discloses that the weight of any one bag is less than 179 lbs gross, the minimum acceptance weight, the bag concerned will be returned to the licensed buying agent concerned for standardisation.

Shipping Instructions and Documents

16. The Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited will issue shipping instructions to licensed buying agents. Details regarding shipping documents will be issued in a separate Circular Instruction.

Shipping Expenses

17. Export duty and harbour dues will be paid by the Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited. The Department will issue the necessary instructions regarding the payment of lighterage and wharfage charges.

Buying Allowance

18. A block buying allowance is granted to licensed buying agents to cover remuneration and all expenses involved in performing the functions mentioned in paragraph 7 of this Memorandum.

The expenses consist mainly of—

- (a) middlemen's Commission;
- (b) cost of new bags of at least "B" twill quality;
- (c) overhead expenses (including bagging and handling);
- (d) cost of capital laid out on behalf of the Board;
- (e) cost of insurance against risks up to delivery on board ocean-going vessel or into Board Stores at port of shipment with the following exceptions:—

(i) 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.

(ii) Marine Risks directed 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.

Details of the 1960 buying allowance will be issued in a separate Circular Instruction.

Produce Sales Tax

19. A separate Circular Instruction will be issued on this subject.

Payment

20. Detailed instructions regarding payment will be issued separately as a Circular Instruction.

Extraordinary Expenses

21. Extraordinary expenses mean expenses other than those normally incurred in operating an efficient produce buying organisation. Claims for recovery of extraordinary expenses are to be made to the Board's executive only when buying agents are instructed by the Board to carry out their functions in an abnormal manner and this involves them in serious additional expense.

Local Sales

22. All stocks of palm kernels required for mechanised processing in the Western Region are required to be purchased from the Board. All applications in this connection are to be made direct to the Board's executive. Where such application has been approved a licensed buying agent may be required to deliver stocks of palm kernels to the local processing firm concerned, in accordance with delivery procedure, payment and transport arrangements as will be stipulated by the Board's executive.

S. L. DUROSARO,
Chairman,
Western Region Marketing Board

Ibadan, 31st December, 1959.

Memorandum No. WR/60/SPO

WESTERN REGION MARKETING BOARD

1960 SPECIAL GRADE PALM OIL MARKETING SCHEME

The Western Region Marketing Board, established under the Western Region Marketing Board Law (No. 10 of 1954) will purchase Special Grade Palm Oil in the Western 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 1959 Special Grade Palm Oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1959 Special Grade Palm Oil Marketing Scheme.

Special Grade Palm Oil purchased by the Western Region Marketing Board will be sold on behalf of the Board by the Nigerian Produce Marketing Company Limited. The executive agent of the Company is the Department of Marketing and Exports and 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" Lagos.
The telephone number is LAGOS 20544.

Duration of Scheme

2. The period covered by the 1960 Special Grade Palm Oil Marketing Scheme is from 1st January, 1960 to a closing date to be announced later.

Executive of the Board

3. As notified in Western Regional Notice No. 388 published in the *Western Region of Nigeria Gazette* No. 28 of 24th April, 1958 the Federal Department of Marketing and Exports ceased to act as the executive of the Western Region Marketing Board as from the 1st April, 1958. Responsibility for the executive and secretarial duties hitherto performed by that Department for and on behalf of the Board has since then been assumed by the Board's own executive.

The address of the Headquarters of the Board is—

WESTERN REGION MARKETING BOARD,
STONES ROAD,
PRIVATE MAIL BAG No. 5032,
IBADAN.

The cable and telegraphic address is "WESTMARK" Ibadan.
The telephone number is IBADAN 22736.

The address of the Lagos office of the Board is—

THE OFFICER-IN-CHARGE,
WESTERN REGION MARKETING BOARD,
CONSTANZA HOUSE,
72 CAMPBELL STREET,
LAGOS.

The telegraphic address is "WESTMARK" Lagos.

The telephone number is LAGOS 20544.

Policy

4. The Western Region Marketing Board will purchase through its licensed buying agents all Special Grade Palm Oil for export, in accordance with this Memorandum and subsequent circular instructions. Purchases will be made by the Board on the basis of the minimum naked ex-scale port of shipment price and the Board will utilise the services of its licensed buying agents from the time of purchase up to delivery to Bulk Oil Plant or on board ocean-going vessels.

Licensed Buying Agents

5. The Boards licensed buying agents are—

Association of Nigerian Co-operative Exporters Limited
Compagnie Francaise de l'Afrique Occidentale
John Holt and Company (Liverpool) Limited
Omotayo Brothers.
Reece D. Edukugho Limited
Royal Brothers Limited
United Africa Company of Nigeria Limited
Western Nigeria Development Corporation

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

Functions of Licensed Buying Agents

6. 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 finance purchases and provide suitable storage until time of delivery to Bulk Oil Plant or on board ocean-going vessel;

(c) to arrange for inspection in accordance with Produce Inspection Regulations and to provide necessary containers;

(d) to test and grade oil on purchase;

(e) to make such returns of purchases and stocks as the Board or its executive may require;

(f) to arrange for conveyance to Bulk Oil Plant or Port by approved routes and agree weights and quality on delivery;

(g) to comply with regulations and instructions regarding check-weighing and inspection at Bulk Oil Plant or Port;

(h) to insure against all risks, other than those excepted risks specified in paragraph 16, up to the time of delivery to Bulk Oil Plant or on board ocean-going vessel.

Instructions to Licensed Buying Agents

7. (i) *Palm Oil Purchase*.—The Board's executive 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) Produce Sales Tax (see paragraph 17)
- (d) Payment (see paragraph 18)
- (e) Local Sales (see paragraph 23)

and all other matters relating to the purchase and evacuation of Special Grade Palm Oil.

(ii) *Shipment*.—The Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited will issue to licensed buying agents the necessary instructions regarding oil shipped in drums (see paragraph 20) and all other matters relating to export and shipment.

Special Grade Palm Oil

8. 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 which has not been adulterated.

Buying Price

9. The basic price is £54 per ton naked ex-scale Bulk Oil Plant/Port of shipment.

Transport Differentials

10. 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.

Purchase and Stock Returns

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

Evacuation

12. 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 agent concerned to inform the Board's executive immediately, so that any necessary steps to effect an improvement or to arrange alternative means of evacuation may be taken.

Responsibility for Losses

13. 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 or on board ocean-going vessel. The buying allowance covers the cost of insurance against such risks (see paragraph 16). Licensed buying agents are responsible for the care and speedy removal of containers after bulking. Any loss from theft or other causes arising out of failure to clear empty containers from Bulk Oil Plants will be the sole responsibility of licensed buying agents. Claims for such losses will not be entertained by the Board.

Ascertainment of Quality and Weight

14. Licensed buying agents are responsible for informing the Western Region Produce Inspection Service whenever a quantity of Special Grade Oil is ready for inspection. The Produce Inspection staff will conduct the routine quality test for water content and extraneous substance whilst the licensed buying agent will be wholly responsible for testing the oil for f.f.a. content to ensure that this does not exceed $3\frac{1}{2}$ per cent at the time of purchase. If the oil passes the Produce Inspection test it will be sealed in the normal manner and may then be evacuated to Bulk Oil Plant or port.

Licensed buying agents will be responsible for the quality of oil up to time of delivery to Bulk Oil Plant or on board ocean-going vessel. On arrival of the oil at the Bulk Oil Plant the Western Region Produce Inspection Service will carry out a check-test to ascertain the f.f.a. content of each container of oil. If the Produce Inspection test reveals that the f.f.a. content of any particular container is above 4.5 per cent, that container of oil will be separated from the consignment to be bulked. The licensed buying agent concerned may withdraw such oil but, if it is not removed from the Bulk Oil Plant premises within twenty-four hours, it will be weighed, bulked and paid for as Technical Palm Oil. In the event of any of the results of the check-test being disputed by a licensed buying agent the particular oil in question will be re-tested by an independent party and the result of such re-test shall be final.

After the check-test, each container of oil with an f.f.a. content of 4.5 per cent or below will be passed to the Bulk Oil Plant for bulking. The oil will then be weighed and a sealed sample 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 re-test must be made within fourteen days of the original test and such re-test will be final. The net weight of oil obtained on weighing at the Bulk Oil Plant will form the basis for provisional payment.

In the case of Special Grade Oil to be shipped in drums, the oil will be tested for f.f.a. content by the Western Region Produce Inspection Service immediately before delivery to ocean-going vessel and any container of oil with an f.f.a. content of over 4.5 per cent will be rejected and separated from the consignment to be shipped. The Federal Produce Inspection Service will then carry out the normal check-test for f.f.a. content. In the event of a dispute a sample will be taken and sealed conjointly by the licensed buying agent and the Federal Produce Inspection Service and such sample will be tested by an independent party in accordance with the procedure prescribed above for oil delivered to Bulk Oil Plant. The net weight of oil shown on shipping documents will form the basis for payment.

Delivery of Special Grade Palm Oil to Bulk Oil Plants

15. Where authority has been given for Special Grade Oil to be bulked, 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 interest of 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 of 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 Plant after seven days from the date of bulking.

Buying Allowance

15. A block buying allowance will be paid to licensed buying agents to cover remuneration 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) Middlemen Commission;
- (b) Depreciation/use of containers;
- (c) Overhead expenses;
- (d) Cost of capital laid out on behalf of the Board;
- (e) Cost of insurance against all risks from the time of purchase up-country to

the moment the oil is decanted from containers at the Bulk Oil Plant or delivered f.o.b. ocean-going vessel, with the following exceptions:—

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 1960 buying allowance will be issued in a separate Circular Instruction.

Produce Sales Tax

17. A separate Circular Instruction will be issued on this subject.

Payment

18. Licensed buying agents will receive payment for Special Grade Palm Oil delivered to Bulk Oil Plants on a weekly basis.

Records will be kept at each Bulk Oil Plant of the f.f.a. content of oil at time of bulking for the purpose of determining the weighted average f.f.a. content of licensed buying agents total deliveries during the week. Where the weighted average f.f.a. content in respect of deliveries made to a particular Bulk Oil Plant in any four-weekly period is not more than 4 per cent, payment will be made at the appropriate rate. Where the weighted average f.f.a. content is in excess of 4 per cent, however, a penalty based on a fixed scale will be imposed on the licensed buying agent concerned. Details of the penalties applicable will be given in a separate Circular Instruction.

Remission of Penalties under Exceptional Circumstances

19. Where exceptional circumstances entirely beyond the control of a licensed buying agent are responsible for an abnormal set-up in the f.f.a. of a particular parcel of Special Grade Oil, a licensed buying agent may make representations to the Board's executive with a view to obtaining authority for the f.f.a. content of that particular parcel to be excluded from the calculation of the weighted average f.f.a. content for the weekly delivery period concerned.

Shipping Instructions

20. The Department of Marketing and Exports, as the executive agent of the Nigerian Produce Marketing Company Limited will issue to licensed buying agents detailed shipping instructions covering Special Grade Palm Oil shipped in drums.

Shipping Expenses

21. Export duty and Harbour dues will be paid direct by the Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited.

Extraordinary Expenses

22. Extraordinary expenses mean expenses other than those normally incurred in operating an efficient produce buying organisation. Claims for recovery of extraordinary expenses are to be made to the Board's executive only when buying agents are instructed by the Board to carry out their functions in an abnormal manner and this involves them in serious additional expense.

Local Sales

23. All stocks of Special Grade Palm Oil required for mechanised processing in the Western Region are required to be purchased from the Board. All applications in this connection are to be made direct to the Board's executive. Where such application has been approved a licensed buying agent may be required to deliver stocks of Special Grade Palm Oil to the local processing firm concerned in accordance with delivery procedure, payment and transport arrangements as will be stipulated by the Board's executive.

S. L. DUROSARO,
Chairman,
Western Region Marketing Board

Ibadan, 31st December, 1959.

Issued by the Western Region Marketing Board

Memorandum No. WR/60/TPO

WESTERN REGION MARKETING BOARD

1960 TECHNICAL PALM OIL MARKETING SCHEME

The Western Region Marketing Board, established by the Western Region Marketing Board Law, 1954 (No. 10 of 1954), will purchase "First Quality" Palm Oil in the Western Region for export during the period of the 1960 Technical Palm Oil Marketing Scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the marketing of technical palm oil in the Region.

Stocks of 1959 technical palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1959 Technical Palm Oil Marketing Scheme.

Palm Oil purchased by the Western Region Marketing Board will be sold on behalf of the Board by the Nigerian Produce Marketing Company Limited. The Executive agent of the company is the Department of Marketing and Exports and 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" Lagos.
The telephone number is LAGOS 20544.

Duration of Scheme

2. The period covered by the 1960 Technical Palm Oil Marketing Scheme will be from 1st January, 1960 until a closing date to be announced later.

Executive of the Board

3. As notified in Western Regional Notice No. 388 published in the *Western Region of Nigeria Gazette* No. 28 of 24th April, 1958 the Federal Department of Marketing and Exports ceased to act as the executive of the Western Region Marketing Board as from the 1st April, 1958. Responsibility for the executive and secretarial duties hitherto performed by that Department for and on behalf of the Board has since then been assumed by the Board's own executive. The address of the Headquarters of the Board is—

WESTERN REGION MARKETING BOARD,
STONES ROAD,
PRIVATE MAIL BAG NO. 5032.
IBADAN.

The cable and telegraphic address is "WESTMARK" Ibadan.
The telephone number is IBADAN 22736.
The address of the Lagos office of the Board is—

THE OFFICER-IN-CHARGE,
WESTERN REGION MARKETING BOARD,
CONSTANZA HOUSE,
72 CAMPBELL STREET,
LAGOS.

The telegraphic address is "WESTMARK" Lagos.
The telephone number is LAGOS 20544.

Policy

4. The Western Region 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 up to delivery to Bulk Oil Plant.

Licensed Buying Agents

5. The Board's licensed buying agents are—

Association of Nigerian Co-operative Exporters Limited.
Compagnie Francaise de l'Afrique Occidentale.
John Holt and Company (Liverpool) Limited.
Omotayo Brothers.
Reece D. Edukugho Limited.
Royal Brothers Limited.
United Africa Company of Nigeria Limited.
Western Nigeria Development Corporation.

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

Functions of Licensed Buying Agents

6. 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 finance purchases and provide suitable storage until time of delivery to Bulk Oil Plant;

(c) to arrange for inspection in accordance with Produce Inspection Regulations and to provide necessary containers;

(d) to test and grade oil on purchase;

(e) to make such returns of purchases and stocks as the Board or its executive may require;

(f) to arrange for conveyance to Bulk Oil Plant installations by approved routes and to agree weights and quality on delivery with the bulking agents of the Nigerian Produce Marketing Company Limited;

(g) to comply with regulations and instructions regarding checkweighing and inspection at Bulk Oil Plant;

(h) to insure against all risks, other than those excepted risks specified in paragraph 17 up till the time of delivery to Bulk Oil Plant.

Instructions to Licensed Buying Agents

7. (i) *Palm Oil Purchases*.—The Board's executive will issue to licensed buying agents the necessary instructions regarding—

- (a) Transport Differentials (see paragraph 11)
- (b) Purchase and Stock Returns (see paragraph 12)
- (c) Payment (see paragraph 19)
- (d) Local Sales in Casks or Drums (see paragraph 22)

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

(ii) *Shipment*.—The Department of Marketing and Exports as the executive agent of the Nigerian Produce Marketing Company Limited will issue to licensed buying agents the necessary instructions regarding oil shipped in Casks or Drums (see paragraph 20) and all other matters relating to export and shipment.

First Quality Palm Oil (see paragraph 1)

8. "First Quality" palm oil is defined as palm oil for export containing less than two *per centum* by weight of water and/or extraneous substance and which has not been adulterated.

Technical Palm Oil Grades

9. 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.

Buying Prices

10. The basic naked ex-scale Bulk Oil Plant prices per ton are as follows:

Grade I	£ 45
Grade II	38
Grade III	30

The Minimum prices payable at gazetted buying stations up-country are based on the naked ex-scale Bulk Oil Plant prices less the appropriate cost of transportation by the approved normal means of evacuation; except that the naked ex-scale Bulk Oil Plant prices will be abated by the amount of Produce Sales Tax.

Transport Differentials

11. Transport differentials are fixed on the basis of evacuation by the most practical routes. Details of differentials applicable to buying stations will be given in a separate Circular Instruction.

Purchase and Stock Returns

12. 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.

Evacuation

13. Licensed buying agents must arrange to evacuate palm oil to Bulk Oil Plants without delay. 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 19).

If exceptional difficulties are being encountered in moving palm oil stocks to Bulk Oil Plants, it is the duty of the licensed buying agent concerned to inform the Board's executive immediately so that any necessary steps to improve or provide alternative means of evacuation can be taken.

Responsibility for Loss

14. 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 incurred between time of purchase and time of delivery to Bulk Oil Plant (*see* paragraph 17 (e)). 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.

Delivery to Bulk Oil Plants

15. 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 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. 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 the 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.

Ascertainment of Weight and Quality

16. On delivery into each 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 re-test should be made within fourteen days of the original test and such re-test shall be final.

Buying Allowance

17. A block buying allowance is granted to licensed buying agents to cover remuneration 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) Middlemen's Commission;
- (b) Depreciation/use of containers;
- (c) Overhead expenses;
- (d) Cost of capital laid out on behalf of the Board;
- (e) 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 following exceptions:—

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, Revolution, Insurrection, Military or Usurped Power and losses arising directly out of Riots, Strikes, Lock-outs, Labour Disturbances and Civil Commotions.

Details of the 1960 buying allowance will be issued in a separate Circular Instruction.

Produce Sales Tax

18. A separate Circular Instruction will be issued on this subject.

Payment

19. 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 determined quarterly 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 limit 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.

Technical Palm Oil Shipped in Casks and Drums

20. It is not expected that the need will arise to ship technical palm oil in casks or drums, but should this be necessary instructions will be issued.

Extraordinary Expenses

21. Extraordinary expenses mean expenses other than those normally incurred in operating an efficient produce buying organisation. Claims for recovery of extraordinary expenses are to be made to the Boards executive only when buying agents are instructed by the Board to carry out their functions in an abnormal manner and this involves them in serious additional expense.

Local Sales

22. All stocks of Technical Palm Oil required for mechanised processing in the Western Region are required to be purchased from the Board. All applications in this connection are to be made direct to the Board's executive. Where such application has been approved a licensed buying agent may be required to deliver stocks of Technical Palm Oil to the local processing firm concerned, in accordance with delivery procedure, payment and transport arrangements as will be stipulated by the Board's executive.

S. L. DUROSARO,
Chairman,
Western Region Marketing Board

Ibadan, 31st December, 1959.

Issued by the Western Region Marketing Board

WESTERN REGION MARKETING BOARD
BALANCE SHEET AS AT 30TH SEPTEMBER, 1960

1959		Schedule	£
44,100,755	Produce Reserve Accounts	... A	38,930,710
2,622,031	Reserve Surplus		2,932,069
1,120,119	Specific Reserves ... ..	... B	1,775,641
<u>£ 47,842,905</u>	Accumulated Capital		<u>£ 43,638,420</u>
69,986	Fixed Assets:		
		Cost	Depreciation
		£	£
	Land Buildings	91,045	17,551
	Furniture and Equipment	33,225	12,737
	Motor Vehicles	62,222	3,481
		<u>£ 186,492</u>	<u>33,769</u>
			152,723
37,249,146	Investment and Loans	C	£ 33,035,466
	Current Assets:		
538,441	Stocks	D	658,790
1,665,638	Sundry Debtors and Prepayments... ..	D	3,446,471
	Cash in Hand and at Banks:	E	
8,298,227	On Deposits	6,894,839	
541,429	Current Accounts	72,383	
194	Cash	1,201	6,968,423
48,363,061			<u>11,073,684</u>
520,156	Less Sundry Creditors	D	623,453
<u>£ 47,842,905</u>	Net Assets		<u>£ 43,638,420</u>

F. O. AWOSIKA—*Chairman*P. A. TOWSEY—*Chief Accountant*

Report of the Auditors to the Western Region Marketing Board

We report that we have audited the above Balance Sheet as at 30th September, 1960, and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, the Balance Sheet is properly drawn up so as to show a true and fair view of the state of the Board's affairs at 30th September, 1960.

Ibadan, Nigeria.
6th July, 1961.

CASLETON ELLIOTT AND COMPANY,
Chartered Accountants

WESTERN REGION MARKETING BOARD
REVENUE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

	1959 £	£	£	£
Interest:				
Investment	358,769	256,336		
Loans	641,006	992,070		
Bank Deposits and Treasury Bills	134,530	228,789		1,477,195
Administrative Expenses:				
Cost of Executive Services	39,881	57,263		
General Expenses	10,590	11,064		
Travelling and Honaria—Board Members...	4,286	4,232		
Maintenance of Buildings and Motor Vehicles	2,087	2,999		
Insurance	403	632		
Rents	7,963	4,412		
Audit and Accountancy Fees	1,142	1,113		
Legal Expenses	405	1,592		
Apapa Port Storage	—	16,247		
Transport Scheme	—	1,031		
Bank Charges and Interest	66,757	99,585		
Depreciation of Fixed Assets	88,645	117,903		
Income Tax	—	50,175		303,663
	164,204	76,000		1,173,532
	970,101	—		188
	970,101	—		1,173,720
Surplus for the year	2,370,634	3,340,735		
Balance brought forward:				
Revenue Surpluses, 1955-59	500,000	567,140		2,622,031
Less Transfers—1955-59	151,564	151,564		3,795,751
Investment Reserve	—	718,704		750,000
Publicity Reserve	—	—		262,714
Less Transfer to Investment Reserve	2,689,171	—		—
Bad Debts Reserve	67,140	—		—
	—	—		2,783,037
Add: Reserves written back:				
Marketing Publicity Reserve	—	124,001		
Overseas Goodwill and General Reserve	—	20,031		
Miscellaneous Reserve	—	5,000		
	—	149,032		
As per Balance Sheet	£ 2,622,031	£ 2,932,069		

Schedule B

WESTERN REGION MARKETING BOARD

SCHEDULE OF SPECIFIC RESERVES AT 30TH SEPTEMBER, 1960

	<i>Balance, 1-10-59</i>	<i>Allocations and refunds</i>	<i>Expended and written back during year</i>	<i>Balance 30-9-60</i>
	£	£	£	£
Swollen Shoot	388,801	—	213,160	175,641
Investment Depreciation... ..	250,000	750,000	—	1,000,000
Marketing Publicity	124,001	—	124,001	—
Bad Debts	337,286	262,714	—	600,000
Overseas Goodwill and General... ..	20,031	—	20,031	—
Miscellaneous Provision	—	5,000	5,000	—
<i>As per balance Sheet</i>	1,120,119	1,017,714	362,192	1,775,641

Schedule C
WESTERN REGION MARKETING BOARD
SCHEDULE OF INVESTMENTS AT 30TH SEPTEMBER, 1960

1959	Market Value at 30-9-60	Notes:—
		1. Repayable by equated Arreary Instalments
		2. Repayable 1976 or earlier.
		3. Loan to be secured on the buildings to be erect- ed on the sites charged to the Board—Repayment by five equal instalments commencing 1962 and subject to interest at $\frac{1}{2}$ per cent per annum above current United Kingdom Bank Rate.
	6,407,154	
QUOTED INVESTMENTS:		
	6,837,196	3 per cent Savings Bonds, 1955-65
	6,025,279	Treasury Bills; £6,050,000
	6,407,154	Nigerian Produce Marketing Board 80,000 Ordinary Shares of £1 each, 3s paid
	3,209,382	National Bank of Nigeria Limited 1,000,000 $\frac{1}{4}$ per cent Cumulative Non-Participating Preference Shares of £1 each, fully paid
	20,000	Federation of Nigeria—5 $\frac{1}{4}$ per cent Development Stocks, 1959-69
	9,616,536	
	5,998,622	
	20,000	
	1,000,000	
	166,400	
	1,186,400	
	6,847,833	
	10,000,000	
	80,000	
	2,310,000	
	9,755	
	1,200,000	
	20,447,588	
	6,37,249,146	
LOANS:		
	6,609,358	Federal Government of Nigeria—Note 1
	10,000,000	Western Region Government—Note 2
	80,000	Co-operative Bank of Western Nigeria Limited
	4,710,000	National Investment and Property Company Limited— Note 3
	8,954	Association of Nigerian Co-operative Exporters
	1,200,000	Western Region Finance Corporation
	3,000,000	Western Nigeria Development Corporation
	25,608,312	
	£33,035,466	<i>As per Balance Sheet</i>

Schedule D
WESTERN REGION MARKETING BOARD
ACCOUNTS DETAILS 30TH SEPTEMBER, 1960

STOCKS		<i>Tons</i>	<i>£</i>
Cocoa		3,486.31	594,366
Palm Kernels		1,520.05	54,962
Cotton Trading:			
Packing			1,892
Seed	66.55		4,289
Fresh Fruit Packing			6,181
			<u>3,281</u>
<i>As per Balance Sheet</i>			<i>£</i> 658,790

SUNDRY DEBTORS AND PREPAYMENTS

Licensed Buying Agents		68,005
Sales Suspense—Cotton Seed and Lint		26,508
Advances		16,184
Guarantee Account		2,873
Interest Receivable Accrued		670,638
Nigerian Produce Marketing Company Limited		2,662,263
<i>As per Balance Sheet</i>		<i>£</i> 3,446,471

SUNDRY CREDITORS AND ACCRUED EXPENSES

Produce Sales Tax		112,144
Produce Inspection Service		276,067
Provident Fund—Board's Contribution	5,230	
Staff Contribution	4,919	
		<u>10,149</u>
Income Tax		72,000
Co-operative Thrift and Loan Society		160
Seconded Staff Pension Fund		1,000
Deposit Accounts		84
Sundry		2,894
Accrued Expenses:		
Audit Fees	1,050	
Board Members' Honoraria	675	
Rent—Port Storage, Apapa	14,000	
Marketing and Export Agency	120,000	
W.A.S.P.R.U.	4,000	
Insurance	9,230	
		<u>148,955</u>
<i>As per Balance Sheet</i>		<i>£</i> 623,453

Schedule E

WESTERN REGION MARKETING BOARD

BANK DEPOSIT ACCOUNTS 30TH SEPTEMBER, 1960

National Bank of Nigeria Limited—Lagos ...	£ 316,370
National Bank of Nigeria Limited—Lagos ...	288,469
National Bank of Nigeria Limited—Lagos ...	350,000
National Bank of Nigeria Limited—London ...	2,000,000
Arbomagebe Bank Limited—(see Note 1) ...	200,000
N.P.M.C. Limited ...	640,000
H.M. Rothschild ...	2,900,000
Merchants Bank Limited—(see Note 2) ...	200,000
<i>As per Balance Sheet</i> ...	£ 6,894,839
Bank Current Accounts:	
Bank of West Africa Limited—London (Overdrawn) ...	—611,033
National Bank of Nigeria Limited—London (Overdrawn) ...	—398,025
Bank of West Africa Limited—Badan ...	—449,884
National Bank of Nigeria Limited—Lagos ...	169,795
Bank of West Africa Limited—Lagos ...	361,782
<i>As per Balance Sheet</i> ...	£ 72,383
Cash:	
Imprest Account—Lagos ...	77
Abcockuta ...	179
Anti-Smuggling ...	10
Cash in Hand ...	874
Petty Cash ...	61
<i>As per Balance Sheet</i> ...	£ 1,201

Notes—
 1. £80,000 of this deposit was converted into equity share capital during October 1960.
 2. The Merchants Bank Limited is now in compulsory liquidation and the full amount of the deposit is unlikely to be recovered.

Schedule G

WESTERN REGION MARKETING BOARD

PALM KERNELS TRADING ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

1959

£	10,061,356	£	9,736,876
	91,543		56,390
	<u>10,152,899</u>		<u>9,793,266</u>
7,405,879	Net Proceeds		
39,389	Cost of Sales		
62,238	Purchases	7,346,947	
16,840	Produce Inspection	125,930	
	Agency Charges...	64,272	
	Insurance, Handling and Sundry Charges	15,156	7,552,305
£	<u>2,628,553</u>	£	<u>2,240,961</u>
	Trading Surplus (As per Summary)		Tons
			194,089
	Tonnage Sold		
			£
	Surplus from Palm Kernels Trading (Schedule G)		2,240,961
	Less Deficit from Palm Oil Trading (Schedule H)		73,529
	Surplus (As per Schedule A)		...£ 2,167,432

Schedule H

WESTERN REGION MARKETING BOARD

PALM OIL TRADING ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

1959		£	£
704,832	Technical Grade Oil:		
686,845	Sales—At f.o.b. prices less Export Duty and Charges	728,633	
	Less: Purchases	771,709	43,076
282,327	Edible Grade Oil:		
284,164	Sales—At f.o.b. prices less Export Duty and Charges	293,499	7,184
	Less: Purchases	300,683	
48,680	Special Grade Oil		
48,001	Sales—At f.o.b. prices less Export Duty and Charges...	43,014	3,081
	Less: Purchases	46,095	
16,829	(Surplus)		
	Deficit		53,341
	Less:		
3,452	Produce Inspection Charges	12,649	
5,454	Agency Charges...	6,456	
1,947	Insurance and Handling Charges	1,083	20,188
	(Surplus) Trading Loss (As per Summary)		£ 73,529

Schedule I

WESTERN REGION MARKETING BOARD

COTTON TRADING ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

£	1959	£		£	£
			Sales at f.o.b. Prices:		
132,442			Lint	125,193	
20,341		152,783	Seed	31,908	157,101
		20,516	Less Export Duty, Shipping and Handling Charges	—	19,282
			<i>Net Proceeds</i>		<u>137,819</u>
		132,267			
			Cost of Sales:		
111,154			Ginnery Processing Costs (Schedule J)	168,625	
			Less Stock on Hand 30-9-60	4,289	
				<u>164,336</u>	
111,154			Add Stock on Hand 30-9-59	—	
50,416				<u>164,336</u>	
			Less Sales Suspense	26,508	
161,570				<u>137,828</u>	
			Evacuation Charges and Storage	8,007	
161,570			Bags and Twine Usage	3,515	
857			Agency Charges	804	150,154
1,816		164,476		<u>12,335</u>	
533			<i>Trading Loss (As per Schedule A)</i>		<u>12,335</u>
		£ 32,209			<u>12,335</u>
		<i>Ton</i>			<i>Tons</i>
			Tonnage sold:		
		770	Lint		720
		1,125	Cotton Seed		1,194
					<u>1,914</u>
		<u>1,895</u>			

Schedule J

WESTERN REGION MARKETING BOARD

COTTON PROCESSING SUMMARY FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

1959				
Tons			Tons	
1,758		Ginnery Intake:		
	82,231	Seed Cotton Purchases	2,643	
	16,377	Producer Price		123,453
	1,980	Buying Allowance		24,676
	341	Transport to Gineries		
	10,225	Produce Inspection		
		Ginning and Baling Fees		
<hr/>	<hr/>			<hr/>
1,758	111,154	<i>Ginnery Processing Costs (As per Schedule I)</i>		£ 168,625
				<hr/>
Tons	Percentage		Tons	Percentage
501	28.5	Ginnery Output:	730	27.62
1,230	70.0	Cotton Lint	1,662	62.88
<hr/>	<hr/>	Cotton Seed	217	8.21
27	1.5	Cotton Seed issued for Planting	34	1.29
		Wastage		
<hr/>	<hr/>		<hr/>	<hr/>
1,758	100.0		2,643	100.00

Schedule K

WESTERN REGION MARKETING BOARD

FRESH FRUIT TRADING ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1960

1959				
£	£		£	
11,272		Sales:		
776	12,048	At f.o.b. prices less Handling Charges	11,202	
		Local Sales	470	11,672
			<hr/>	<hr/>
1,584		Cost of Sales:		
7,718		Purchases	1,757	
7,875		Grading, Packing and Transport	2,649	
1,044		Salaries and Wages	2,040	
1,379	19,600	Handling and Sundry Charges	710	
		Crates, Tarpaulins and Depreciation	3,225	10,381
			<hr/>	<hr/>
		£ 7,552 (Loss)	Trading Surplus (as per Schedule A) ...	£ 1,291



