

EASTERN REGION OF NIGERIA



Fourth

Annual Report

of the

EASTERN REGIONAL

MARKETING BOARD

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

1st January, 1958 - 31st December, 1958



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INTRODUCTION

General

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

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

The Report covers the period 1st January, 1958 to 31st December, 1958.

Arrangement of the report

2. The Report is divided into seven main sections under the following headings:

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

I. GENERAL

Membership of the Board

3. In May 1958, the Minister of Production assumed responsibility for Marketing Board affairs in place of the Minister of Commerce. Consequently on 29th May the Permanent Secretary to the Ministry of Production became a full member of the Board instead of the Permanent Secretary to the Ministry of Commerce who attended subsequent meetings as a co-opted member. There were no other changes in the composition of the Board during the year and at 31st December, 1958, the membership was as follows:

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

The Permanent Secretary, Ministry of Production, Eastern Region

The Permanent Secretary, Ministry of Agriculture, Eastern Region

The Permanent Secretary, Ministry of Finance, Eastern Region

Prince Eket Inyang-Udoh

Chief N. B. Wokoma-Horsfall

Mr. J. C. Anyansi

Mr. C. A. Oputa

Mr. G. C. N. Akomas.

Meetings of the Board

4. Four Meetings of the Board were held during the year as follows:
- Thirteenth Meeting held at Port Harcourt on 24th January, 1958.
 - Fourteenth Meeting held at Port Harcourt on 25th February, 1958.
 - Fifteenth Meeting held at Port Harcourt on 15th August, 1958.
 - Sixteenth Meeting held at Port Harcourt on 18th November, 1958.

Secretary to the Board

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

Executive Arrangements of the Board

6. The Federal Department of Marketing and Exports continued to serve as the Board's executive organisation. To meet the cost of these services, the Board pays to the Federal Government an agreed share of the total annual cost of the Department.

7. The Headquarters of the Department of Marketing and Exports is at Constanza House, 72 Campbell Street, Lagos. The Eastern Regional offices and the office of the Board's Secretary are at Works Road, Port Harcourt.

Auditors

8. Messrs Cooper Brothers and Company continued to act as the Board's Auditors.

Representative Committees

9. Membership of the three Representative Committees remained unchanged during the year and was as follows:—

(a) Palm Oil Industry Representative Committee:

The principal Trade Officer, Ministry of Trade, Eastern Region, Chairman.

The Permanent Secretary, Ministry of Finance, Eastern Region.

Chief J. A. Ibangha.

Mr. E. O. Atakpa.

Mr. M. N. Ugochukwu.

Mr. D. K. Ogbonnar.

Chief P. O. Okoye.

Mr. Julius N. Eze.

Prince Eket Inyang-Udoh, Representing the Eastern Regional Marketing Board.

Chief N. B. Wokoma-Horsfall, Representing the Eastern Regional Marketing Board.

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

(b) Cocoa Representative Committee:

The Chief Produce Officer, Eastern Regional Produce Inspection Service, Chairman.

The Permanent Secretary, Ministry of Finance, Eastern Region.

Chief Ogbonna Uruakpa.

Mr. G. I. Agina.

Mr. P. C. Ndu.

Mr. J. E. Nwaoha.

Mr. E. J. A. Oriji.

Messrs John Holt and Company (Liverpool) Limited, Representing Licensed Buying Agents.

Prince Eket Inyang-Udoh, Representing the Eastern Regional Marketing Board.

Mr. C. A. Oputa, Representing the Eastern Regional Marketing Board.

Chief R. O. Orem.

(c) *Minor Produce Representative Committee:*

- The Director of Agriculture, Eastern Region, Chairman
The Registrar of Co-operative Societies, Eastern Region.
Chief W. A. Obassey.
Chief J. E. Ekwueme.
Mr. S. O. Agbara.
Mr. D. O. Ahamefula.
Mr. T. O. Alagoa.
Mr. D. U. Atsu.
Councillor E. E. Iquerre.
Messrs Okereke Brothers Limited, Representing Licensed Buying Agents.
Chief N. B. Wokoma-Horsfall, Representing the Eastern Regional Marketing Board.
Mr. G. C. N. Akomas, Representing the Eastern Regional Marketing Board.

10. The Produce Representative Committees met during the year in Port Harcourt as follows:—

(a) *Palm Oil Industry Representative Committee:*

- Ninth Meeting: 11th March, 1958.
Tenth Meeting: 19th November, 1958.

(b) *Cocoa Representative Committee:*

- Seventh Meeting: 11th March, 1958.
Eighth Meeting: 16th August, 1958.

(c) *Minor Produce Representative Committee:*

- Seventh Meeting: 11th March, 1958.
Eighth Meeting: 16th August, 1958.

Secretary to the Representative Committees

11. The Senior Marketing Officer, Eastern Region, of the Federal Department of Marketing and Exports continued to serve as Secretary to the Representative Committees.

II. PRODUCER PRICE POLICIES:

A. OIL PALM PRODUCE

Producer prices Paid in Previous Years:

12. The following were the producer prices paid in the Eastern Region for Oil Palm Produce in each of the Marketing Years, 1954-1957:—

	1954			1955			1956			1957		
	<i>(Per Ton)</i>			<i>(Per Ton)</i>			<i>(Per Ton)</i>			<i>(Per Ton)</i>		
Palm Kernels	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Naked ex-scale port of shipment	34	0	0	30	0	0	30	0	0	30	0	0
Palm Oil												
Naked ex-scale Bulk Oil Plant												
Special Grade	65	0	0	58	0	0	50	0	0	50	0	0
				48	0	0						
Technical Palm Oil												
Grade I	50	0	0	38	0	0	38	0	0	38	0	0
Grade II	38	0	0	28	0	0	28	0	0	28	0	0
Grade III	33	0	0	20	0	0	20	0	0	20	0	0

The Fixing of Producer Prices for 1958:

13. The Board considered its producer price policy for 1958 at its Twelfth Meeting on 21st November, 1957. At that time it was clear that the final accounts of palm produce trading operations in the 1957 Marketing Year would show a comfortable margin. As a result of the political crisis over the Suez Canal at the end of 1956, palm produce prices had risen suddenly and, in the early months of 1957, the Board continued to enjoy a windfall of unexpected high selling prices. As market conditions reverted to normal prices declined, but, taken as a whole, export prices for the year 1957 had been very satisfactory.

14. Prospects for 1958 were considered to be rather less favourable for edible palm oil and palm kernels. The view of the Central Marketing Board was that world supplies of oils and oilseeds would be at least as large as in 1957 and that various economic factors might cause some further fall in prices.

15. After obtaining the advice of all interested authorities, the Board decided that minor adjustments to its producer prices would be needed. The guaranteed price for Special Grade Oil was left unchanged but the price for palm kernels was reduced by £1 per ton. The price for Grade I technical palm oil on the other hand was raised by £2 per ton as selling prospects seemed to warrant some increase.

16. Accordingly, the guaranteed minimum producer prices for the 1958 Marketing Year were fixed as follows:—

	(Per Ton)
Palm Kernels	£
Naked ex-scale port of shipment	29
Palm Oil	
Naked ex-scale Bulk Oil Plant:	
(a) Special Grade Oil	50
(b) Technical Palm Oil:	
Grade I	40
Grade II	28
Grade III	20

B. COCOA

Producer Prices Paid in Previous Years:

17. The cocoa producer prices paid by the Board during the four seasons from 1954/55 to 1957/58 were as follows:—

	1954/55	1955/56	1956/57	1957/58
	(Per Ton)	(Per Ton)	(Per Ton)	(Per Ton)
	£	£	£	£
Main Crop Grade I ...	200	200	150	146
Main Crop Grade II ...	185	185	135	131
Light Crop Grade I ...	200	200	150	146
Light Crop Grade II ...	185	185	135	131

The Fixing of Producer Prices for 1958/59 Season:

18. The Board considered its producer price policy for 1958/59 Season at its Fifteenth Meeting on 15th August, 1958. Despite two seasons of heavy trading losses, it was nevertheless clear that the Board would finish the 1957/58 season's operations with a substantial trading margin. World supplies had been much less plentiful in 1957/58 as a result of smaller West African crops. Market values reacted sharply to this situation and for much of the season Nigerian shipments were made at prices well over £300 per ton.

19. When the Board met in August 1958, prospects for sales of the 1958/59 season crop were very uncertain but current world market values were still high. On the whole, it seemed that a higher producer price was justified for 1958/59 season although this would entail a risk of appreciable trading losses if world supplies became plentiful during the season. The Southern Cameroons Marketing Board had recently decided to increase the price for Cameroons producers by £25 and the Eastern Regional Marketing Board agreed to follow the same course.

C. BENNISEED

20. For the 1957/58 Season which opened on the 1st June, 1957, the Board had increased its producer price for benniseed from £36 to £37 10s. od. per ton. At this increased price, the Board continued to realise a substantial surplus on its trading operations and it was considered that overseas market prospects for the 1958/59 Season (opening on 1st June, 1958) justified a further moderate increase in the producer price. The Board therefore announced for the 1958/59 Season a minimum guaranteed producer price of £39 10s. od. per ton, naked ex-scale at all buying stations.

D. SOYA BEANS

21. During the 1957/58 Soya Beans Season, which extended from 5th November, 1957 to 30th May, 1958, the Board paid a producer price of £18 per ton. This price was maintained in the face of a depression in overseas market values and the trading account for 1958 shows a deficit of £1,148 on the season's operations. Prospects for sales of the 1958/59 season crop were not appreciably different, but in the interests of producer price stability the Board decided to maintain its price unchanged and in line with that paid by the Northern Regional Marketing Board. Accordingly the Board continued for the 1958/59 Season to guarantee a minimum producer price of £18 per ton naked ex-scale at all buying stations.

E. GROUNDNUTS

22. Since groundnuts were added to the schedule to the Eastern Regional Marketing Board Law during the 1956/57 Season, purchases for export have been very small. It has therefore been the practice of the Board to base its producer price as closely as possible on the price paid in the Rivers Area by the Northern Regional Marketing Board. This ensures that Eastern Region producers are offered a realistic price and that serious diversion of produce does not take place across the boundary between the Eastern and Northern Regions. On this basis, the Board paid a naked ex-scale buying station price of £37 per ton during the 1957/58 Season. In that period the world market value of groundnuts fell seriously and the Board incurred a trading loss of £927 on the marketing of 104 tons. When the Board met to consider its producer

price policy for the 1958/59 Season, which was to open on 6th November, 1958, overseas markets were still depressed. The Board, like the Northern Regional Marketing Board, agreed on the need to reduce producer prices and accordingly announced for the 1958/59 Season a naked ex-scale producer price of £34 per ton payable at all buying stations.

Producer Prices Viewed in Retrospect:

(a) Palm Oil.

23. Overseas selling prices of edible palm oil followed the general trend of the market for soft oils during 1958, drifting steadily downwards from over £78 per ton f.o.b. in January to £71 per ton f.o.b. in October and subsequently making a small recovery due to seasonal causes. The average f.o.b. price of all sales made for shipment in 1958 was £74 16s. 1d. per ton f.o.b.

24. Meanwhile f.o.b. prices for technical palm oil declined to a lesser extent and the average for all shipments in 1958 was £68 8s. 1d. per ton.

25. The overall decline in the value of palm oil during the year was not unexpected and, in fact, the final average prices received by the Board were somewhat higher than the figures anticipated when the year's producer prices were fixed. The trading account for palm oil shows that operations in 1958 resulted in a trading surplus of £931,431 os. od.

(b) Palm Kernels

26. During the first half of 1958, the average f.o.b. value of palm kernels was £45 per ton and world market quotations showed very little movement. From June however prices began to rise. The average f.o.b. figure was £50 per ton in September, £53 per ton in October and over £60 per ton in November and December. The basic reason for this rapid and unexpected increase in market values was an acute shortage of copra. Palm kernels are a close substitute for copra and when drought in the Phillipines and political troubles in Indonesia resulted in a restriction of copra shipments to Europe, manufacturers greatly increased their demand for palm kernels.

27. The final average f.o.b. price for all shipments of palm kernels during 1958 was £46 3s. 8d. per ton which was just over £2 higher than the corresponding figure for 1957. The Board's palm kernels trading account for 1958 shows a surplus of £980,881 os. od.

(c) Cocoa

28. World production of cocoa in the 1957/58 Season was much below normal and competition for limited supplies was still driving prices upwards during the first few months of 1958. In May the value of shipments reached a peak of £385 per ton f.o.b. As expected the level of prices receded as the marketing of the 1958/59 crop became due but at the end of the year, shipment contracts

were still being made on good terms and the average f.o.b. price of 1958/59 crop shipments made up to that time was £295 os. od. The Board's surplus on its cocoa trading operations in 1958 was £123,375 os. od.

(d) *Minor Oilseeds*

29. In the marketing of its minor crops, the Board achieved a margin of £548 in the case of benniseed and showed losses of £1,148 and £927 on soya beans and groundnuts respectively.

III. MARKETING ARRANGEMENTS FOR BOARD CROPS IN THE EASTERN REGION

The Duration of Crop Buying Seasons

30. The Board's Law requires it to prescribe "specific periods during which the buying of produce for export.....shall be prohibited, restricted or allowed". In the case of palm oil and palm kernels, these periods are arranged as "Marketing Years" to correspond approximately with calendar years. At the end of each marketing year, there is a moratorium of one week to allow the completion of grading and stock-taking and the proper separation of one year's purchases from the next. In 1958 the marketing year for palm oil and palm kernels opened on 3rd January and closed on 25th December.

31. Buying Seasons for other crops handled by the Board are arranged to suit natural harvesting periods and the opening and closing dates of the seasons referred to in this report were as follows:—

	<i>1957/58 Season</i>		<i>1958/59 Season</i>
	<i>Opened</i>	<i>Closed</i>	<i>Opened</i>
Cocoa	6th September 1957	14th August 1958	5th September 1958
Benniseed	1st June 1957	31st May 1958	1st June 1958
Soya Beans	5th November 1957	30th May 1958	19th December 1958
Groundnuts	14th November 1957	30th May 1958	6th November 1958

The Board's Marketing Schemes

32. The Board's first practical responsibility in the marketing of Eastern Region produce is to ensure that the producers receive not less than the minimum published prices for all export produce offered for sale at gazetted buying stations. Thereafter the Board is responsible for organising the packing, storage and evacuation of the produce to port where the Nigerian Produce Marketing Company Limited (formerly the Central Marketing Board) takes over responsibility for shipment and overseas sale. (See Chapter V below). In the case of dry produce, the point of take-over is free-on-board ocean vessel; in the case of palm oil, it is on acceptance at Bulk Oil Plant. The Board discharges these functions through the agency of commercial firms and organisations who are appointed as licensed buying agents and who operate under instructions given by the Board through its executive organisation.

33. The main principles of the marketing arrangements for each crop are set out in a Memorandum issued by the Board at the opening of each marketing year or buying season. Copies of the memoranda issued to cover the seven marketing schemes opened during 1958 are attached to this report as Appendices I to VII. Under the authority of such "Marketing Scheme" memoranda, the Board's executive issues in each case a series of Circular Instructions to licensed buying agents setting out detailed arrangements for bag or drum markings, transport rates, buying allowances, deliveries, payments and all other matters involved in the purchase, evacuation and delivery of the crop to the Board at port of shipment.

Plantation Palm Oil

34. In addition to its Special Grade Palm Oil Marketing Scheme as set out in Appendix I, the Board makes suitably modified arrangements for the purchase of high grade palm oil produced on approved plantations. This oil is purchased at the same basic price as Special Grade Oil but, in view of its higher export value, the Board pays a graduated premium for low content of free fatty acid and also grants an allowance in recognition of the low impurities content of plantation oil.

Appointment of Licensed Buying Agents

35. By employing the services of suitable firms and organisations as licensed buying agents, the Board is able to utilise the commercial experience and expertise of established produce traders and to ensure full and efficient marketing services in all producing areas. Since the first Marketing Boards began operations, Nigerian enterprises have progressively increased their participation in the produce trade.

36. The Board appoints its licensed buying agents for each crop Marketing Scheme after reviewing individual performances in the previous year and considering applications for first appointment. Applications for new appointment as licensed buying agents are invited annually by Public Notices which set out in detail the qualifications, organisation and capital required of applicants. As an example of the terms and conditions laid down by the Board for new applicants, a copy of the Public Notice issued in connection with the 1958 Palm Kernel and Palm Oil Marketing Schemes is attached to this Report as Appendix VIII.

37. For the 1958 Oil Palm Produce Marketing Schemes the Board received and examined twenty three applications for first appointment and of these eighteen were successful. One established licensed buying agent gave up his appointment. For the 1958/59 Cocoa Marketing Scheme two applications for first appointment were received and one was successful. One of the three established buying agents was not reappointed under the 1958/59 Soya Beans Marketing Scheme. Otherwise the lists of buying agents for each commodity

remained as previously. The names of all buying agents appointed under each Marketing Scheme in 1958 are shown in the marketing scheme memoranda attached as appendices.

The Board's Financial Arrangements with its Licensed Buying Agents

38. The Board pays its licensed buying agents for their services by means of a block buying allowance for each ton of produce handled. The principles upon which these buying allowances are calculated are set out in memoranda of agreement between the Board and its licensed buying agents. The first of these memoranda—the Board's "First Three Year Agreement on the Determination of Buying Allowances"—expired during 1958 and a Second Three Year Agreement was introduced with effect from the 1958/59 Groundnuts and Soya Beans Marketing Schemes.

39. Under the terms of the First Three Year Agreement, a licensed buying agent's normal operational expenses for each crop were broken down into component items and an allowance was fixed for each. For palm kernels for example, the individual items were cost of bags, interest, finance and insurance costs and variable and static overheads expenses. An additional element was paid as remuneration. As far as possible, the Agreement laid down the precise method of determining each item so that bargaining was cut to a minimum and the annual calculations were largely a matter of routine.

40. The Second Three Year Agreement is based on the previous one but, in the light of experience, it has been possible to simplify the terms. The buying allowance for each commodity is no longer shown as a sum of component items but as a simple block allowance adjustable for changes in producer price. There are however provisions for revision of this total allowance by negotiation to meet any important change in circumstances. A copy of this Second Three Year Agreement on the Determination of Buying Allowances is attached to this Report as Appendix IX.

Buying Allowances Paid in the Period under Review

41. The following table sets out the block buying allowances agreed for the 1958 Marketing Year for oil palm produce and the 1958/59 Season for other crops. The buying allowances fixed for palm produce, benniseed and cocoa included a defined element to cover interest charges on the basis of the prevailing United Kingdom Bank Rate. During 1958, the Bank Rate varied and the buying allowances were adjusted accordingly. The figures stated below are therefore those paid at the outset in each case. Corresponding figures of allowances paid in the previous year are given for comparison.

<i>Crop</i>	1958			1957		
	£	s.	d.	£	s.	d.
Palm Kernels	5	9	0	5	2	6
Special Grade Palm Oil (Drums) ...	8	4	4	7	14	1
<i>Technical Palm Oil (Drums)</i>						
	1958			1957		
Grade I	7	14	2	7	0	7
Grade II	6	17	4	6	7	6
Grade III	6	6	8	5	18	6
Special Grade Palm Oil (Casks) ...	9	11	6	9	2	1
<i>Technical Palm Oil (Casks)</i>						
Grade I	8	10	4	7	19	4
Grade II	7	16	5	7	8	1
Grade III	7	7	3	6	19	9
<i>Cocoa</i>						
	1958/59			1957/58		
Grade I	10	0	2	10	6	11
Grade II	9	12	2	9	18	0
Benniseed	5	16	1	5	15	6
Soya Beans	5	2	0	4	1	9
Groundnuts	6	8	0	4	12	6

Payment Arrangements

42. For oil palm produce and cocoa, the Board's producer prices are based on deliveries of produce to port; the minimum gazetted buying station prices payable to producers are then derived in each case by deducting the approved cost of evacuation from the port price. For benniseed, soya beans and groundnuts, the Board fixes a flat producer price payable at all buying stations and pays evacuation costs at agreed rates as an addition to this producer price.

43. Licensed buying agents for the major crops are required to pay the up-country producer price, meet the cost of evacuation and marketing expenses and then recover the port price plus buying allowance per ton on deliveries made to the Board at port of shipment. Licensed buying agents for cocoa, however, have the benefit of an advance payments scheme whereby they make a signed declaration of up-country purchases each week and receive immediate payment of the producer price plus the cost of the bags. The remainder of the buying allowance is paid on delivery of the cocoa to the Board. This arrangement greatly increases the Board's working capital requirements but gives valuable assistance to licensed buying agents and allows those with limited capital to operate more extensively than would otherwise be possible.

Gazetted Buying Stations

44. Before the opening of each crop marketing scheme, the Board publishes its list of official buying stations, showing the guaranteed minimum producer price payable at each. These official buying stations are located throughout the crop growing areas, so that the Board's licensed buying agents provide buying facilities at all suitable points. At any buying station, the Board guarantees to purchase all scheduled produce for export which conforms to the official grades and standards of quality. In 1958 the number of buying stations gazetted for each crop was as follows:

Palm Kernels	90
Special Grade Palm Oil	50
Technical Palm Oil	81
Cocoa	6
Benniseed	5
Soya Beans	2
Groundnuts	4

Grades and Standards of Quality

45. Up to 1st October 1958 the authority responsible for the prescription of grades and standards of quality for all produce purchased by the Marketing Boards for export was the Nigeria Central Marketing Board. Under the terms of the Export of Nigerian Produce Ordinance, 1958 (No. 36 of 1958) this responsibility was transferred to the Federal Minister of Commerce and Industry on 1st October, 1958.

46. There were no changes during 1958 in the legal grades and standards of quality and the prescriptions for each commodity handled by the Board remained as follows:—

(a) Palm Kernels:

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

(b) Palm Oil:

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

The grades prescribed are as follows:—

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

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

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

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

(c) **Cocoa:** The Grades prescribed are as follows:

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

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

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

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

Provided that any parcel of cocoa of which a sample of three hundred beans weighs less than 11 ounces shall be designated "Light Cocoa". Grade I or II as the case may be.

(d) **Benniseed:**

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

(e) **Soya Beans:**

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

(f) **Groundnuts:**

The standard prescribed is that of "Exportable" Quality which means groundnuts which contain not more than 0.2 per centum by weight of stones laterite and other minerals and not more than 1 per centum by weight of total impurities. "Special Grade" Groundnuts are groundnuts of exportable quality containing not less than 70 per centum by weight of whole nuts.

Purchase Tax on Produce

47. The Board continued to be responsible for payment to the Government of the Eastern Region of the produce purchase tax levied on produce purchased for export under the terms of the Purchase Tax on Produce Law, 1954 (No. 8 of 1954). The tax is levied at the following rates per ton:—

Palm Oil (All Grades)	£4. 0. 0
Palm Kernels	£2. 0. 0.
Cocoa	£4. 0. 0.
Benniseed	£- 10. 0.

No purchase tax is levied on soya beans or groundnuts.

48. It may be pointed out here that the incidence of a produce purchase tax payable by the Board in the Eastern Region instead of a produce sales tax which is in effect payable by producers as in the other Regions, has important implications for the Board's producer price policy. The Board must take its own tax payments into account in fixing its producer prices: these prices are then net to the producer and not abated by sales tax as are the prices announced by the other Boards.

Supply of Technical Palm Oil for Local Processing

49. Under the terms of its Law, the Board has the power to direct that any scheduled produce used locally for mechanical processing must be purchased from the Board. Following the establishment of three factories for soap-making in Aba, the Board exercised these powers in the case of oil palm produce and arranged supplies to the factories from the beginning of 1958. During the year a total of 3,697 tons of Technical Palm Oil and 154 tons of palm kernels were sold in this way.

50. Although detailed supply arrangements were made in advance with the soap manufacturers there were serious difficulties in meeting demand in the off-season periods near the beginning and end of 1958. Although total requirements for local processing represented only a minor part of the Board's total purchases of Technical Grade Oil during the year, the essential difficulty was that the manufacturers required their supplies at a fairly regular rate whereas the Board's purchases are inevitably concentrated in the middle

months of the year. During 1958, neither the Board nor the Soap Factories had the necessary facilities to store enough oil for use in off-peak months.

51. Arrangements are now being made to maintain adequate stocks in future and to control more strictly the evacuation of licensed buying agents purchases from buying stations. By means of these special arrangements the Board should be able to meet the full requirements of the soap factories at any time during the year.

IV. REVIEW OF MARKETING OPERATIONS

A. PURCHASES

Palm Kernels:

52. Relatively dry weather favoured the production of palm kernels during 1958 and the Board's total purchases, at 211,381 tons were 5.0% greater than in the previous year. In each of the past four Marketing Years, recorded total figures have been as follows:—

1958	1957	1956	1955
(Tons)	(Tons)	(Tons)	(Tons)
211,381	201,261	211,294	197,557

Palm Oil:

53. After a relatively poor year in 1957, production of edible palm oil for export recovered to 136,386 tons in 1958, an increase of 16.3% over the earlier year. Some of this increase was at the expense of technical grade oil, but the combined total of purchases of edible and technical grades was 163,363 tons. This figure exceeds the totals for any of the previous three years of the Board's operations. The comparative tonnages by grades are as follows:—

				1958	1957	1956	1955
Edible Oil	...	...	...	136,386	117,239	128,322	128,797
Technical Oil:							
Grade I	...	...	...	26,927	34,445	30,357	33,475
Grade II	...	...	...	50	72	168	674
Grade III	...	...	...	—	2	—	33
Total Technical Oil	...	...	...	<hr style="width: 100%; border: 0.5px solid black;"/>
Grand Total	...	...	...	<hr style="width: 100%; border: 1px solid black;"/>

54. The above figures for edible oil include the production for export of oil produced on the plantations of Pamol Limited. Purchases of this Plantation Palm Oil in tons in each of the past four years has been as follows:—

1958	1957	1956	1955
3,273	2,550	3,179	2,857

Cocoa:

55. Production of cocoa in the Eastern Region continues to expand rapidly. In the Western Region, 1957/58 was a particularly poor season for cocoa but in the Eastern Region the tonnage purchased by the Board increased for the fourth year in succession as follows:—

	1957/58	1956/57	1955/56	1954/55
Main Crop	977	1,472	1,152	981
Light Crop	688	63	37	4
Total	<u>1,665</u>	<u>1,535</u>	<u>1,189</u>	<u>985</u>

The high proportion of Light Crop purchases in 1957/58 Season, suggests that the overall increase in production was due to the fruition of young trees.

56. The 1958/59 Cocoa Marketing Scheme opened on 6th September, 1958, and up to the end of the year, declared purchases had already reached 2,281 tons, so that there will be a further large increase in total production in this season.

Benniseed:

57. Benniseed is grown in the Eastern Region principally in Ogoja Province, adjacent to the benniseed growing areas of the Northern Region. Consequently, diversion across the Regional border rather than a fall in production may account for the progressive decline in the Board's purchases since 1955/56 season. Purchases in each of the past four seasons in tons have been as follows:—

1957/58	1956/57	1955/56	1954/55
173	404	544	432

The 1958/59 buying season opened on 1st June, 1958, and up to the end of the year, when purchasing was almost completed, the declared total was only 78 tons.

Soya Beans:

58. Soya Beans are grown in the Obudu and Ikom districts and, in this case too, the Board's purchases showed a marked fall in 1957/58 Season. The figures for the past four seasons are as follows:—

1957/58	1956/57	1955/56	1954/55
407	734	365	347

Groundnuts:

59. 1957/58 was the Board's first complete season of groundnut marketing and purchases amounted to 104 tons.

B. QUALITY

60. In its work to improve the quality of its purchases of export produce, the Board's most important concern is of course palm oil. After the rapid improvements in palm oil quality between 1950 and 1955, further progress will inevitably be much less spectacular. Nevertheless the year 1958 has been very satisfactory in this way as the following table shows:

	<i>Percentage of Total Purchases:</i>			
	1958	1957	1956	1955
Special Grade Oil (excluding Plantation Production) ...	83.5	77.2	80.8	79.0
Technical Oil:				
Grade I	16.5	22.7	19.1	20.6
Grade II	—	0.1	0.1	0.4
Grade III	—	—	—	—

61. In the case of cocoa, there was no significant change in the quality of the crop in 1957/58 Season. The following table shows the proportions of Grade I and Grade II purchases in each of the past four seasons:—

	<i>Percentage of Total Purchases:</i>			
	1957/58	1956/57	1955/56	1954/55
<i>Main & Light Crops</i>				
Grade I ...	98.4	99.3	99.0	85.8
Grade II ...	1.6	0.7	1.0	14.2

62. For palm kernels, benniseed, soya beans and groundnuts, reports on quality during the year were satisfactory and there are no particular features to record.

C. EVACUATION AND STORAGE OF PRODUCE

63. During 1958, 97,567 tons, representing 77.9% of the Board's total purchases of Special Grade Palm Oil were bulked at Port Harcourt. The receiving facilities at the Port Harcourt Bulk Oil Plant are not designed to cope with such tonnages and throughout the peak-purchasing months there were long queues of lorries waiting to make deliveries. Every thing possible was done to hasten the turn-round at the installation, but at times the vehicles

had to wait for as long as two days. Since an increasing proportion of Eastern Region palm oil is being delivered by road to Port Harcourt the problem of congestion is growing worse and the Board and its executive are giving close attention to means of meeting the situation.

64. The approved evacuation route for palm oil from Afikpo Road is to Port Harcourt by rail. This entailed difficulties during the year because buying agents' beaches are below the level of the railway line and there was a lack of suitable loading ramps. The Board therefore paid a transport subsidy of £1. 3s. 6d. per ton to allow evacuation by road.

65. Due to the limited capacity of the Board's Arcon Sheds at Port Harcourt, it was necessary to suspend acceptance of palm kernels for short periods until shipments reduced the port stocks. Otherwise evacuation of palm kernels to all ports proceeded smoothly.

66. Evacuation of cocoa and minor oilseeds presented no particular difficulties. To ensure quicker and more regular evacuation of cocoa from Ikom, the Board paid subsidies in 1957/58 Season for evacuation to Calabar by road instead of by the Cross River. For 1957/59 Season the road route has been made the approved means of evacuation.

V. SELLING ORGANISATION AND ARRANGEMENTS.

The Nigeria Central Marketing Board

67. The relationship between the Central Marketing Board and the Eastern Regional Marketing Board has been explained in detail in previous annual reports of this Board. In addition, a full account of the powers and functions of the Central Marketing Board and reviews of its operations as the common selling organisation for the Regional Boards can of course be found in its own annual reports. It is only necessary to state here that up to 30th September, 1958, the Central Board continued, under existing arrangements, to take over at port all Marketing Board produce for export and to organise shipments and overseas sales on behalf of all the Regional Boards.

Board Representation on the Nigeria Central Marketing Board

68. Under the Chairmanship of Mr. A. H. Young, C.B.E. the membership of the Central Marketing Board consisted of the Director of Marketing and Exports, two representatives each from the Eastern Regional Marketing Board, the Northern Regional Marketing Board and the Western Region Marketing Board and one from the Southern Cameroons Marketing Board. The representatives of the Eastern Regional Marketing Board were, as previously, Mr. L. P. Ojukwu, O.B.E., and Mr. J. C. Anyansi. By virtue of their appointment as members of the Central Marketing Board, Mr. Ojukwu and Mr. Anyansi were also Directors of that Board's overseas selling organisation—the Nigerian Produce Marketing Company Limited. In that capacity they attended a meeting of the Board of Directors and the Annual General Meeting of the Company in London on 27th and 29th May, 1958, respectively.

The Abolition of the Central Marketing Board

69. The future of the Nigeria Central Marketing Board was specially discussed at the Ad Hoc Meeting of the Nigeria Constitutional Conference in Lagos in February 1958. The outcome of this was the Export of Nigerian Produce Ordinance, 1958, which came into effect on 1st October 1958. Under this legislation the Central Marketing Board was abolished and new provisions were made for the export of Nigerian produce.

Establishment of the New Nigerian Produce Marketing Company Limited.

70. With effect from 1st October, 1958, the operations of the former Central Marketing Board as the organisation responsible for shipping and

Marketing Board produce were taken over by a new Company incorporated in Nigeria and named the Nigerian Produce Marketing Company Limited. Under the terms of the Export of Nigerian Produce Ordinance, 1958, this Company holds an exclusive licence to acquire for export and to export produce purchased by the Regional Marketing Boards.

Constitution of the New Company and Relationship with the Board

71. The total share capital of the new Nigerian Produce Marketing Company Limited consists of 250,000 one pound shares of which the Eastern Regional Marketing Board, the Northern Regional Marketing Board and the Western Regional Marketing Board each own 80,000 and the Southern Cameroons Marketing Board owns 10,000. Apart from the Managing Director the Board of Directors of the Company consists entirely of representatives of the Regional Marketing Boards: the Eastern and Northern Regional Marketing Boards and the Western Region Marketing Board each appoint two directors and the Southern Cameroons Marketing Board appoints one. The representatives of the Eastern Regional Marketing Board are Mr. L. P. Ojukwu, O.B.E. and Mr. J. C. Anyansi, who previously represented the Board on the Central Marketing Board. Under the constitution of the Company, the Directors annually elect a Chairman and on the formation of the Company, the Directors chose Mr. L. P. Ojukwu, O.B.E., for this position.

The Company's Selling Policy and Operational Relationship with the Regional Boards.

72. The practical arrangements for the export and sale of Nigerian produce have not been significantly affected by the transfer of responsibilities from the Central Marketing Board to the Nigerian Produce Marketing Company Limited. The Company has continued the selling policy of its predecessor and seeks the most favourable markets for Nigerian produce in any part of the world. Inevitably the industrial countries of Europe and North America provide the natural markets for the major part of Nigeria's exports of produce but the relative importance of markets in other parts of the world has been growing and during 1958 important sales of oilseeds have been made in Central and South America, Japan and Eastern Europe.

73. The terms and conditions on which the former Central Marketing board took over produce for export from the Regional Boards have also been continued by the Company. Palm Oil is delivered to the Company at Bulk Oil Plants and all other produce at the f.o.b. point of shipment. Proceeds of overseas sales are remitted to the Regional Boards after deductions have been made by the Company to cover specific expenses such as export duty, harbour dues and shipping charges. In addition the Company makes a flat rate levy on each ton of produce to cover its other operational and overhead costs.

VI. FINANCIAL ALLOCATIONS FOR DEVELOPMENT AND RESEARCH.

74. The Board continued to provide funds of a large scale for various development and research purposes. During 1958 the Board's commitments from its reserve funds were as follows:

Loan and Grant to the Eastern Regional Development Corporation:

75. At its Thirteenth Meeting on 24th January, 1958, the Board agreed to make a grant of £500,000 to the Eastern Regional Development Corporation in instalments of £100,000 per annum over five years from 1958. At the same time the Board agreed, in addition, to make an immediate loan of £500,000 free of interest for a period of five years from 1st January, 1958.

Grant Towards Proposed University of Nigeria:

76. In 1956 the Board approved a grant of £5 million to the proposed University of Nigeria. The sum held in reserve to meet this commitment was £2 million at the end of 1957 and in the Board's accounts for the year ended 31st December, 1958, a further £500,000 has been reserved.

Investment in Federal Government Loan Programme:

77. In 1957 the Board invested a sum of £2,109,300 in the Federal Government's Loan Programme as its agreed share of a commitment taken over by the Regional Marketing Boards from the former Commodity Marketing Boards. The Federal Government is to make repayment over a period of 20 years with interest at 3½ per cent on £373,300 and 4½ per cent on £1,736,000. During 1958, £68,537 was repaid, leaving a balance of £2,040,763.

Financing of Scheme for Co-operative Marketing of Oil Palm Produce

78. Responsibility for the cost of this scheme was taken over from the former Oil Palm Produce Marketing Board. The total commitment was £61,132 representing the estimated capital and recurrent expenditure on the scheme up to its conclusion in 1962. Payments and accruals taken to account up to 31st December, 1958, amount to £28,895 leaving an outstanding balance of £32,437 for payment in future years.

Financing of West African Stored Products Research Unit:

79. The Board, like the Western Region Marketing Board and the Northern Regional Marketing Board, pays 25 per cent of the total costs of the West African Stored Products Research Unit, the balance being met by the Federal Government, In 1958 this represented a contribution of £4,085 from the Board.

Guarantee to Eastern Regional Agricultural Department:

80. The Agricultural Department is carrying out two particular projects for the production development of cocoa and oil palm produce. The work was originally financed by the Eastern Regional Development Corporation but the Board agreed to guarantee payment to the required £11,000 if the Corporation proved unable to meet this commitment.

VII. THE BOARD'S ACCOUNTS AND FINANCIAL POSITION.

81. The Board's Accounts at Appendix X consist of the following:—

1. Balance Sheet at 31st December, 1958,
2. General Reserve Account.
3. Profit and Loss Account.
4. Trading Accounts:—
 - (a) Palm Kernels
 - (b) Palm Oil
 - (c) Cocoa
 - (d) Benniseed, Soya Beans,
Groundnuts.
5. Summary of Produce sold.
6. Schedule of British Government Securities.

Trading Accounts

82. The Trading results as shown in each detailed Produce Account are summarised as follows:—

Palm Kernels	...	...	£ 980,881	
Palm Oil	...	...	£ 931,431	
Cocoa	...	...	£ 123,375	
Benniseed	...	...	£ 548	
			£2,036,235	
<i>Losses on:</i>				
Soya Beans	...	...	£ 1,148	
Groundnuts	...	...	£ 927	
			£ 2,075	
<i>Surplus carried to</i>				
Profit and Loss Account			£2,034,160	

Profit and Loss Account

83. Interest received from British Government Securities, Federal Government Loans, Bank Deposits, and Sundry Revenue amounted to £381,977. This, added to the Trading Surplus, after allowing for Administration expenses of £129,720 and Produce Purchase Tax of £1,099,405 leaves a surplus of £1,187,012 to be carried to the General Reserve Account.

General Reserve Account

84. In addition to the sum of £1,187,012 brought forward from the Profit and Loss Account an amount of £498,384 has been received during the year as a final payment from the liquidation of the Nigeria Oil Palm Produce Marketing Board. After deducting over and under accruals amounting to £68,632 in respect of the previous years operations and allowing £500,000 for the 1959 contribution to the proposed University of Nigeria and £100,000 to the Eastern Region Development Corporation the General Reserve was increased during the year by £1,016,764 to a final balance of £10,184,094.

Balance Sheet

85. British Government Securities shown at cost £8,636,326 form the major item of Assets. These have been increased during the year by £431,660, transferred in 3 per cent Savings Bonds 1955/56 from the Nigeria Oil Palm Produce Marketing Board as part of the final payment on liquidation of that Board. The Investment Reserve of £1,000,000 is considered adequate in view of the upward trend during the year in the prices of the investments held. Provision in previous accounts has already been made for £2,000,000, of the grant to the proposed University of Nigeria which is included in the Accounts under the heading of "Current Liabilities and Provisions". Under "Specific Reserves" a further sum of £500,000 has been allocated to the University in respect of the 1959 contribution.

VIII ACKNOWLEDGEMENTS.

86. As in previous years, the Board wishes to express its thanks to all those whose work, advice and co-operation contributed to the success of the year's operations as recorded in this report. Thanks are due, particularly, to the Department of Marketing and Exports as the Board's executive, to the Representative Committees, to the Produce Inspection Service, and to the Licensed Buying Agents.

87. In conclusion, the Board wishes to place on record its appreciation of the services which the Central Marketing Board performed up to its abolition on 1st October, 1958. The Eastern Regional Marketing Board and the Central Marketing Board necessarily maintained a close day-to-day working relationship during the three and a half years in which the Central Board was responsible for the shipment and overseas sale of Eastern Regional produce. Throughout that time this Board consistently enjoyed full co-operation and had complete confidence in the arrangements for sales of its produce. The Board wishes to record its gratitude to the Central Marketing Board itself and to the executive staff who carried out the shipping and selling arrangements.

L. P. Ojukwu, Esq., O.B.E.—Chairman
The Permanent Secretary, Ministry of Finance
The Permanent Secretary, Ministry of Agriculture
The Permanent Secretary, Ministry of Production
J. C. Anyansi, Esq.
Prince Eket Inyang-Udoh
Chief N. B. Wokoma-Horsfall
C. A. Oputa, Esq.
G. C. N. Akomas, Esq.

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

APPENDIX XI

Accounts

EASTERN REGIONAL

BALANCE SHEET

1957	£	£	£	£
9,167,330	GENERAL RESERVE			10,184,094
	SPECIFIC RESERVES :			
	Proposed University of Nigeria Grant,			
500,000	1959 Contribution		500,000	
	Eastern Region Development Corporation			
100,000	Development Grant 1959		100,000	
	Eastern Region Co-operative Marketing Scheme			
45,875	Less Payments to date	61,132	28,695	32,437
	Contingent liability in respect of 15s. uncalled on			
	each of 80,000 shares in the Nigerian Produce			
	Marketing Company Limited (in voluntary liquidation)			
			60,000	692,437
	<u>60,000</u>			
	<u>705,875</u>			
	CURRENT LIABILITIES AND PROVISIONS :			
2,592,271	Creditors and accrued liabilities			3,103,035

NOTES

1. The Board will share in the final distribution of assets upon the liquidation of the Nigerian Groundnut Marketing Board, but the amount of such distribution applicable to the Eastern Regional Marketing Board has not yet been ascertained.
2. The Board received an interim distribution of £250,000 in respect of the liquidation of the Nigerian Cocoa Marketing Board which may, on the final liquidation, be found to be greater than the amount applicable to the Eastern Regional Marketing Board.
3. The Board is committed to make development grants to the Eastern Region Development Corporation of £100,000 in each of four years commencing 1st January 1959. The Board has also made a loan to the Eastern Region Development Corporation of £500,000 free of interest for five years from 1st January 1958.

£12,465,476

£13,979,566

REPORT OF

We have examined the above balance sheet and annexed profit and loss account which are in agreement with the information and explanations which we considered necessary for our audit, and in our opinion these give a true and fair view of the state of the Board's affairs at 31st December, 1958 and of the profit for the year

LAGOS,

27th May, 1959

MARKETING BOARD

31st. DECEMBER, 1958

1957		Cost	Accumulated Depreciation	
£	FIXED ASSETS	£	£	£
32,728	Leaschold land and buildings	38,546	9,483	29,063
1,727	Motor Vehicles	3,830	1,984	1,846
1,061	Machinery and equipment	1,526	659	867
4,677	Furniture, fixtures and fittings	6,432	3,354	3,078
40,193		£50,334	15,480	34,854
	TRADE INVESTMENT :			
20,000	Nigerian Produce Marketing Company Limited (in voluntary liquidation)—(80,000 ordinary shares of £1 each, 5s. paid)			20,000
2,109,300	LOANS :			
—	Federal Government of Nigeria		2,040,763	
	Eastern Region Development Corporation (secured)		500,000	
2,109,300			2,540,763	2,540,763
	AMOUNT DUE FROM NIGERIAN PRODUCE MARKET- ING COMPANY LIMITED :			
—	Current account		1,023,055	
—	Working capital deposit		480,000	
—			1,503,055	1,503,055
	CURRENT ASSETS :			
109,553	Stock of palm kernels at cost		118,995	
235,647	Debtors and payments in advance		383,893	
1,416,958	Current account—Central Marketing Board		—	
8,204,666	British Government securities at cost, as per sche- dule (Market value £7,615,749)	8,636,326		
1,000,000	Less Reserve for loss on realisation	1,000,000		
7,204,666			7,636,326	
—	Special deposit account—African Continental Bank Limited		1,000,000	
1,329,189	Bank and cash balances		741,680	
10,295,983			9,880,894	9,880,894
£12,465,476			£13,979,566	

THE AUDITORS

ment with the books of account. In our opinion proper books of account have been kept. We have obtained accounts, amplified by the notes applicable thereto and the information given in the annual report, show ended on that date.

COOPER BROTHERS & CO.

Chartered Accountants.

EASTERN REGIONAL
PROFIT AND LOSS ACCOUNT
31st DECEMBER,

	1957		£
	£	Trading surplus transferred from trading accounts :	
	375,763	Palm Kernels	
	2,311,664	Palm Oil	
	19,568	Cocoa	
	177	Minor Oilseed crops	
	<u>2,707,172</u>		
		Interest receivable :	
	251,448	British Government securities	258,595
	13,998	Loan account—Nigeria Central Marketing Board	—
	75,320	Loan account—Federal Government of Nigeria	88,832
	26,086	Bank deposits	33,949
	<u>366,852</u>		
	533	Sundry revenue	
	<u>£3,074,557</u>		
		Administrative expenses :	
	—	Salary of Chairman	3,000
	57,646	Executive organisation	68,508
	14,930	Wages and salaries	4,327
	3,095	Subsistence and travelling (Board Members, Executive and staff)	2,251
	31,334	Bank charges	34,889
	983	Insurance	868
	2,518	Printing stationery and general expenses	3,486
	<u>110,506</u>		
	9,230	West African Stored Products Research Unit—Board's share of expenses	4,084
	222	Marketing publicity	—
	1,050	Audit fee	1,050
	250	Legal expenses	250
	2,731	Palm kernels stock losses	—
	6,764	Depreciation	7,007
	<u>20,247</u>		
	1,026,160	Produce purchase tax	
	<u>1,917,644</u>	Profit for the year transferred to general reserve	
	<u>£3,074,557</u>		

MARKETING BOARD

FOR THE YEAR ENDED

1958

<i>Total</i>	<i>Oil Palm Produce</i>	<i>Cocoa</i>	<i>Minor Oilseed Crops</i>
£	£	£	£
980,881	980,881	—	—
931,431	931,431	—	—
123,375	—	123,375	—
(1,527)	—	—	(1,527)
<u>2,034,160</u>	<u>1,912,312</u>	<u>123,375</u>	<u>(1,527)</u>
381,376	372,069	9,146	161
601	587	14	—
<u>£2,416,137</u>	<u>£2,284,968</u>	<u>£132,535</u>	<u>(£1,366)</u>
117,329	114,853	2,313	163
12,391	12,130	244	17
1,099,405	1,089,778	99,588	39
1,187,012	1,068,207	120,390	(1,585)
<u>£2,416,137</u>	<u>£2,284,968</u>	<u>£132,535</u>	<u>(£1,366)</u>

**EASTERN REGIONAL
PALM KERNELS TRADING ACCOUNT**

1957 £		Tons	£
155,389	Stock in sheds at Port Harcourt 1st January 1958	3,089	109,553
6,950,738	Purchases—Export	212,284	7,256,161
	—Local processing	154	5,093
		<u>215,527</u>	
15,250	Provision for price adjustment of 1957 purchases not yet delivered		—
61,685	Produce inspection charges		62,950
60,729	Operational charges		66,678
11,443	Transport subsidies and handling charges		24,948
375,763	Trading margin carried to profit and loss account		980,881
			<u>£8,506,264</u>
			<u>£7,630,997</u>

MARKETING BOARD

FOR THE YEAR ENDED 31st DECEMBER, 1958

1957		<i>Tons</i>	<i>£</i>
<u>£</u>			
7,518,713	Sale —Export	212,074	8,380,400
—	—Local processing	154	6,869
109,553	Stock in sheds at Port Harcourt 31st December 1958	3,299	118,995
2,731	Stock losses	—	
		<u>215,527</u>	

£ 7,630,997

£8,506,264

EASTERN REGIONAL
COCOA TRADING ACCOUNT
31st DECEMBER,

1957 £		<i>Tons</i>	£
	Purchases: 1957/1958	1,175	183,081
	1958/1959	400	72,285
		1,575	255,366
2 75,198	Local deterioration		15
7,449	Produce inspection charges		467
553	Operational charges		507
46	Evacuation and handling charges		428
19,568	Trading margin carried to profit and loss account		123,375
£303,368			£380,158

MARKETING BOARD

FOR THE YEAR ENDED

1958

1957

£

Sales: 1957/1958
1958/1959

...

...

...

...

...

...

Tons

£

1,175
400

290,128
90,030

303,368

1,575

380,158

£303,368

£380,158

EASTERN REGIONAL

PALM OIL TRADING ACCOUNT FOR

1957 £		Tons	Special Grade Oil £	Plantation Palm Oil £	Technical Palm Oil £	Total £
	Purchases—Export :					
6,774,511	Special Grade Oil ...	134,706	7,778,687	—	—	7,778,687
144,794	Plantation Oil ...	3,267	—	194,950	—	194,950
1,569,216	Technical Oil ...	24,640	—	—	1,175,930	1,175,930
8,488,521		162,613	7,778,687	194,950	1,175,930	9,149,567
—	Purchases-Local processing Tech. Oil ...					
		3,697	—	—	174,650	174,650
8,488,521		166,310	7,778,687	194,950	1,350,580	9,324,217
—	Provision for price adjustments of 1958 purchases not delivered ...		8,000	—	2,000	10,000
48,187	Produce Inspection Charges ...		39,916	968	8,397	49,281
—	Bulk Oil Plants testing expenses ...		2,540	62	464	3,066
47,810	Operational Charges		42,418	1,036	7,734	51,188
13,757	Transport Subsidies and handling Charges		3,138	—	660	3,798
2,311,664	Trading margin carried to Profit and loss account		629,062	9,288	293,081	931,431
<u>£10,909,939</u>			<u>£8,503,761</u>	<u>£206,304</u>	<u>£1,662,916</u>	<u>£10,372,981</u>

MARKETING BOARD

THE YEAR ENDED 31st December, 1958

1957 £		Tons	Special Grade Oil £	Plantation Palm Oil £	Technical Palm Oil £	Total £
Sales-Export :						
8,584,745	Special Grade Oil ...	134,706	8,503,761	—	—	8,503,761
179,853	Plantation Oil ...	3,267	—	206,304	—	206,304
2,145,341	Technical Oil ...	24,640	—	—	1,442,822	1,442,822
10,909,939		162,613	8,503,761	206,304	1,442,822	10,152,887
Sales-Local processing						
—	Technical Oil ...	3,697	—	—	220,094	220,094
10,909,939		166,310	8,503,761	206,304	1,662,916	10,372,981
10,909,939			£8,503,761	£206,304	£1,662,916	£10,372,981

EASTERN REGIONAL
MINOR OILSEED PRODUCTION
THE YEAR ENDED 31

1957					<i>Benniseed</i>	<i>Soya Beans</i>	<i>Groundnuts</i>	<i>Total</i>
£				<i>Tons</i>	£	£	£	£
—	Purchases :							
				174	8,776	—	—	8,776
18,077				407	—	9,507	—	9,507
—				103	—	—	4,500	4,500
<u>18,077</u>				<u>684</u>	<u>8,776</u>	<u>9,507</u>	<u>4,500</u>	<u>22,783</u>
6,073	Carriage to ports				886	3,210	1,014	5,100
225	Operational charges				54	127	36	217
—	Handling charges				9	33	—	42
<u>£24,375</u>					<u>£9,725</u>	<u>£12,877</u>	<u>£5,550</u>	<u>£28,152</u>

MARKETING BOARD

TRADING ACCOUNT FOR

DECEMBER, 1958

1957			<i>Benniseed</i>	<i>Soya Beans</i>	<i>Groundnuts</i>	<i>Total</i>
£		<i>Tons</i>	£	£	£	£
—	Sales :					
	Benniseed	174	10,273	—	—	10,273
24,552	Soya Beans	407	—	11,729	—	11,729
—	Groundnuts	103	—	—	4,623	4,623
<u>24,552</u>		<u>684</u>	<u>10,273</u>	<u>11,729</u>	<u>4,623</u>	<u>26,625</u>
(177)	Trading loss carried to profit and loss account		(548)	1,148	927	1,527
<u>£24,375</u>			<u>£9,725</u>	<u>£12,877</u>	<u>£5,550</u>	<u>£28,152</u>

EASTERN REGIONAL
SUMMARY OF OIL PALM
YEAR ENDED 31st

		<i>Palm Kernels</i>		
		<i>Tons</i>	<i>£</i>	<i>£</i>
NIGERIA CENTRAL MARKETING BOARD :				
Sales at F.O.B. prices	...	155,207		7,034,473
Nigerian Produce Marketing Company Limited	...			
Sales at F.O.B. prices	...	52,219		2,547,493
Total sales at F.O.B. prices	...	207,426		9,581,966
<i>Deduct:</i> Export duty	...		969,126	
Lighterage and wharfage	...		65,674	
Harbour dues	...		49,346	
Shallow /Deep Surcharge	...		16,294	
Diversion charges	...		8,020	
Handling and storage charges	...		<u>79,028</u>	
				1,187,488
EASTERN REGIONAL MARKETING BOARD :				
Total sales—export	...	207,426		8,394,478
<i>Add:</i> Coast and impurities weight allowances	...		4,648	—
			<u>212,074</u>	<u>8,394,478</u>
<i>Deduct:</i> Quality allowances on sales	...		—	14,069
Excess loss in weight	...		—	9
				<u>14,078</u>
Sales proceeds — export	...	212,074		8,380,400
Sales for local soap processing	...	154		6,869
SALES PROCEEDS	...	212,228		£8,387,269

MARKETING BOARD

PRODUCE SALES FOR THE

DECEMBER, 1958

<i>Special Grade Oil</i>		<i>Technical Grade Palm Oil</i>		<i>Plantation Palm Oil</i>	
	£	Tons	£	Tons	£
113,729		23,177		2,615	
<u>19,854</u>		<u>1,178</u>		<u>649</u>	
133,583		24,355		3,264	
<u>133,583</u>	8,503,761	<u>24,355</u>	1,442,822	<u>3,264</u>	206,304
<u>1,123</u>	—	<u>285</u>	—	<u>3</u>	—
134,706	8,503,761	24,640	1,442,822	3,267	206,304
<u>—</u>	—	<u>—</u>	—	<u>—</u>	—
<u>134,706</u>	8,503,761	<u>24,640</u>	1,442,822	<u>3,267</u>	206,304
<u>—</u>	—	<u>3,697</u>	220,094	<u>—</u>	—
<u>134,706</u>	<u>£8,503,761</u>	<u>28,337</u>	<u>£1,662,916</u>	<u>3,267</u>	<u>£206,304</u>

**EASTERN REGIONAL
SUMMARY OF PRODUCE
OILSEEDS FOR THE**

	Tons	Cocoa £	£
NIGERIA CENTRAL MARKETING BOARD:			
Sales at F.O.B. Prices :			
1957/58 Crop	1,173		364,339
NIGERIA PRODUCE MARKETING COMPANY LIMITED :			
Sales at F.O.B. Prices :			
1957/1958 Crop	2	360	—
1958/1959 Crop	400	112,709	—
	402		113,069
Total sales at F.O.B. prices	1,575		477,408
Deduct: Export duty		95,198	
Lighterage and wharfage		704	
Harbour dues		371	
Handling Charges		(290)	
		95,983	
EASTERN REGIONAL MARKETING BOARD :			
Total sales	1,575		381,425
Deduct: Quality allowances			1,267
Sales Proceeds	1,575		£380,158

MARKETING BOARD

SALES, COCOA AND MINOR

YEAR ENDED 31st DECEMBER, 1958

Soya Beans			Benniseed			Groundnuts		
Tons	£	£	Tons	£	£	Tons	£	£
<u>407</u>		<u>12,239</u>	<u>174</u>		<u>12,571</u>	<u>10</u>		<u>497</u>
<u>—</u>		<u>—</u>	<u>—</u>		<u>—</u>	<u>93</u>		<u>4,639</u>
<u>—</u>		<u>—</u>	<u>—</u>		<u>—</u>	<u>93</u>		<u>4,639</u>
<u>407</u>		<u>12,239</u>	<u>174</u>		<u>12,571</u>	<u>103</u>		<u>5,136</u>
	239			2,114			513	
	136			155			—	
	38			29			—	
		<u>413</u>			<u>2,298</u>			<u>513</u>
<u>407</u>		<u>11,826</u>	<u>174</u>		<u>10,273</u>	<u>103</u>		<u>4,623</u>
<u>—</u>		<u>97</u>	<u>—</u>		<u>—</u>	<u>—</u>		<u>—</u>
<u>407</u>		<u>£11,729</u>	<u>174</u>		<u>10,273</u>	<u>103</u>		<u>£4,623</u>

EASTERN REGIONAL MARKETING BOARD
SCHEDULE OF BRITISH GOVERNMENT SECURITIES

31st DECEMBER, 1958

	<i>Nominal Value</i>	<i>Cost</i>	<i>Market Value</i>
	£	£	£
3 % Savings Bonds, 1960 /70	4,008,736	3,841,406	3,242,066
3 % Savings Bonds, 1955 /65	4,451,294	4,382,167	4,059,024
3 % War Loan, 1955 /59	407,406	412,753	407,533
	<u>£8,867,436</u>	<u>£8,636,326</u>	<u>£7,708,623</u>
<i>Less Interest accrued at 31st December, 1958 ...</i>			92,874
			<u>£7,615,749</u>

EASTERN REGIONAL MARKETING BOARD

Appendices

APPENDIX I

MEMORANDUM NO. ER/58/SPO

EASTERN REGIONAL MARKETING BOARD

1958 SPECIAL GRADE PALM OIL MARKETING SCHEME

The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase Special Grade Palm Oil in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs, which supersede all previous instructions on the marketing of special grade palm oil in the Region. Stocks of 1957 special grade palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1957 Special Grade Palm Oil Marketing Scheme.

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

2. *Duration of the Scheme:* The period covered by the 1958 Special Grade Palm Oil Marketing Scheme will be from 3rd January, 1958 until a closing date to be announced later in the year.

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

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

The cable and telegraphic address is "EMANDEX"

The telephone number is Lagos 20544.

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

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

The cable and telegraphic address is "EASTMARK"

The telephone number is Port Harcourt 8290.

4. *Policy:* The Eastern Regional Marketing Board will purchase through its licensed buying agents all Special Grade Palm Oil for Export in accordance with the terms of this Memorandum. Purchases will be made by the Board on the basis of the minimum naked ex-scale Bulk Oil Plant price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the time of delivery to Bulk Oil Plant.

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

- African Development Corporation Limited.
- African Pioneer Company Limited.
- African Produce Dealers Limited.
- Alagbon Industries Limited.
- E. O. Atakpa.
- Archibong Beaches Limited.
- Benson Ibeawuchi's Produce Buying Agency.
- S. M. Bleasby.
- P. A. Breedy.
- Chima Brothers and Sons Limited.
- Compagnie Francaise de L'Afrique Occidentale.
- Eastern Farmers Trading Company Limited.
- Eastern Farmers and Traders Company.
- Eastern Nigerian Co-operative Exporters Limited.
- Eastern Produce and Transport Company Limited.
- Eastern Region Development Corporation (Pioneer Oil Mills).
- D. J. Edoho.
- Fraser and Shepherd.
- Greyspa Trading Company.
- J. O. Ihekwoaba and Sons Limited.
- M. E. K. Iloghalu.
- I. U. Imeh.
- Item Merchants Association Limited.
- John Holt and Company (Liverpool) Limited.
- G. N. Kanu and Sons.
- A. G. Leventis and Company Limited.
- G. A. Logios.
- T. N. Madu, Sons and Company Limited.
- Mandilas and Karaberis, Limited.
- F. O. Mbadiwe and Sons Limited.
- Mezieike Mbieri Merchants Limited.
- Ndianiche Merchants Association Limited.
- Jinco and Brothers Limited.
- Z. C. Obi, Sons and Company Limited.
- L. N. Obioha Brothers and Company.
- Okereke Brothers Limited.

L. O. Okoro and Company Limited.
 G. B. Ollivant (Nigeria) Limited.
 E. C. I. Onuigbo, Sons and Company Limited.
 J. N. Oparaocha and Sons.
 Palm and Copra Merchants Company.
 Palm Industrial Association.
 Paterson, Zochonis and Company Limited.
 Societe Commerciale De L'Ouest Africain.
 P. N. Uddoh Trading Company Limited.
 Umuahia-Ibeku Trading Company Limited.
 United Africa Company of Nigeria Limited.
 United Nnewi Transport Company.
 A. U. Utuk.

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

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

- (a) To purchase at gazetted buying stations in accordance with the grades and standards for exportable palm oil prescribed by the Nigeria Central Marketing Board and quoted in paragraph 8 below; such purchases to be made at not less than the minimum gazetted producer prices and with seasonable regularity throughout the duration of the scheme.
- (b) To arrange for inspection in accordance with the Produce Inspection Regulations and to provide necessary containers and storage;
- (c) To make such returns of purchases and stocks as the Board or its duly authorised executive may require;
- (d) To arrange for approved coveyance to the Bulk Oil Installation concerned.

7. *Instructions to Licensed Buying Agents* :—

Crop Purchase : The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:—

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

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

8. *Standard and Prescription of Grade for Special Grade Palm Oil.*

The full definition of Special Grade Palm Oil as published in Eastern Regional Notice No. 246 in the Eastern Region of Nigeria Gazette No. 18 of 7th April, 1955,

and amended by Eastern Regional Notice No. 833 in the Eastern Region of Nigeria Gazette No. 57 of 1st December, 1955 and further amended by Eastern Regional Notice No. 412 in the Eastern Region of Nigeria Gazette No. 25 of 2nd May, 1957 is as follows:—

“The standard prescribed for exportable palm oil is that of ‘first quality’ which means palm oil which contains less than 2 per centum by weight of water and extraneous substance and which has not been adulterated.

“Special Grade Oil—Exportable Palm Oil containing not more than 3.5 per cent of free fatty acid at time of purchase.”

9. *Buying Price*: The basic price is £50 per ton naked ex-scale at Bulk Oil Plant.

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

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

12. *Evacuation*: Licensed buying agents must arrange to evacuate Special Grade Palm Oil to Bulk Oil Plants as quickly as possible, and in the order in which it passes the Produce Inspection test. If exceptional difficulties are encountered it is the duty of the licensed buying agents concerned immediately to advise the Assistant Director (Marketing) of the Department of Marketing and Exports, Port Harcourt, so that any necessary steps to effect an improvement or to arrange alternative means of evacuation may be taken.

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

14. *Responsibility for Quality of Purchases*: Licensed buying agents are responsible for testing special grade palm oil at the time of purchase to ensure that the Free Fatty Acid content does not exceed $3\frac{1}{2}\%$. Thereafter Produce Inspection Service will conduct the routine quality test for water contents and extraneous substance, and if this is in order the oil may then be moved by the licensed buying agent to Bulk Oil Plant. The allowance for set-up of Free Fatty Acid content between time of purchase and time of delivery to Bulk Oil Plant is $\frac{1}{2}\%$, except for oil delivered

to Abonnema Bulk Oil Plant in which case, due to a longer period of evacuation, the allowance is 1%. Therefore licensed buying agents are responsible for seeing that the F.F.A. content of palm oil so delivered to Bulk Oil Plant is not more than 4% (or 4½% in the case of Abonnema Bulk Oil Plant). If a licensed buying agent delivers special grade palm oil with a F.F.A. content in excess of this limit he will be asked to explain the reasons for the excess F.F.A. content and to take effective corrective action against his buying staff. Thereafter, if the F.F.A. content of further deliveries is again outside the above limit the Chairman and the Director of Marketing and Exports have powers delegated by the Board to suspend the licence of the licensed buying agent concerned on the grounds that he is disregarding the prescription of grade and failing to comply with the Board's marketing requirements.

15. *Delivery of Special Grade Palm Oil to Bulk Oil Plants:* 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 the licensed buying agents *pro rata* to their stocks available, for bulking at that installation. In this connection, *prompt and accurate declarations of purchases and stocks are essential* and are in the interests of the licensed buying agents if an equitable bulking allocation is to be made. Each Bulk Oil Plant manager in co-operation with the local Shipping Officer of the Department of Marketing and Exports and the Local Bulk Allocation Committee, where one exists, will arrange the programme of bulking to fulfil shipping commitments. Each licensed buying agent will be advised of the quantity and grade of the oil to be delivered to the Bulk Oil Plant. The responsibility for the oil at the Bulk Oil Plant rests with the licensed buying agent until it is tallied, tested and weighed into Bulk Oil Plant. Licensed Buying Agents are responsible for the speedy removal of containers after bulking. The Board reserves the right to levy a storage charge in cases where containers remain at Bulk Oil Plant after seven days from the date of bulking.

16. *Ascertainment of Weights and Quality:* Licensed buying agents are responsible for informing the Eastern Regional Produce Inspection Service Staff whenever a quantity of Special Grade Oil is ready for inspection. The Regional Produce Inspection Staff will then carry out the quality test and if the oil passes the quality test it will be sealed in the normal manner for delivery to the Bulk oil Plant. The Regional Produce Inspection Staff will not at any time carry out a check-test at the station of origin for F.F.A. content. Licensed buying agents will be entirely responsible for the quality of oil up to the time the oil is weighed at the Bulk Oil Plant. On delivery into the Bulk Oil Plant, the Eastern Regional Produce Inspection Service will sample and carry out a checktest to ascertain the F.F.A. content of each container of oil. After the results of the Produce Inspection test are known, each container of oil whose F.F.A. contents is 4.5% or below (5% or below in the case of deliveries to the Abonnema Bulk Oil Plant) will be passed to the Bulk Oil Plant staff. A sample of the oil will be taken conjointly by the licensed buying agent and the

staff of the Bulk Oil Plant. This sample will be tested by the Bulk Oil Plant for F.F.A. content and impurities and the results of this test will be used for the purposes of paragraph 18 below. From this sample a sealed sample will be taken by the Bulk Oil Plant staff in the presence of the licensed buying agent, and in the event of dispute the sealed sample will be tested by an independent party. Claims for retest must be made within fourteen days of the original test and such retest will be final. After the samples have been taken the oil will be weighed and the nett weight obtained from the weighing carried out at the Bulk Oil Plant will form the basis of provisional payment.

If the Produce Inspection test at the Bulk Oil Plant reveals that the F.F.A. content of any particular container of Special Grade Oil is above 4.5% (5% in the case of deliveries to Abonnema) that container of oil will be separated from the consignment to be bulked and weighed separately and be paid for as technical palm oil (see paragraph 18 below). If a licensed buying agent disputes the result of the Produce Inspection test in the case of a container of Special Grade Oil said to contain more than 4.5% F.F.A. (5% in the case of deliveries to the Abonnema Bulk Oil Plant) the oil in question will be retested by an independent party and the result of such retest will be final.

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

The expenses consist mainly of:—

- (a) Depreciation /use of containers;
- (b) Overhead Expenses;
- (c) Cost of interest and storage;
- (d) Cost of insurance against all risks from the time of purchase upcountry to the moment when the oil is decanted from containers at the Bulk Oil Plant, with the exception of those risks generally specified by the insurance companies as excluded under the terms of their policies.

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

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

Details of the 1958 buying allowances will be issued in a separate Circular Instruction.

18. *Payment of Penalties:* Payment to licensed buying agents for deliveries of special grade palm oil to Bulk Oil Plants will be arranged weekly. The basic rate of payment will be the Board's naked ex-scale buying price as stated in paragraph 9 above, plus the block buying allowance as described in paragraph 17 above.

Records will be kept at each Bulk Oil Plant of the average F.F.A. content of each licensed buying agents' deliveries. Where the weighted average F.F.A. content of deliveries to a Bulk Oil Plant, in a four weekly period, is shown to be not more than 4% (or 4½% in the case of deliveries to Abonnema Bulk Oil Plant) the basic rate of payment will be final. Where the weighted average F.F.A. content of deliveries to a particular Bulk Oil Plant in a four weekly period is shown to exceed 4% (or 4½% in the case of deliveries to the Abonnema Bulk Oil Plant) a penalty graduated according to the extent of the excess above 4% (or 4½% in the case of deliveries to the Abonnema Bulk Oil Plant) will be imposed on the licensed buying agent concerned in respect of his total deliveries of Special Grade Palm Oil to the Bulk Oil Plant in question during the appropriate four weekly period. For the purposes of this Scheme the first four weekly period will extend from 3rd January, 1958, to 31st January, 1958 (four bulking periods each of one week) and consecutively thereafter. Where exceptional circumstances entirely beyond the control of the licensed buying agent are responsible for an abnormal set-up in the F.F.A. content of a particular parcel of Special Grade Oil, e.g. excessive delay in evacuation, a licensed buying agent may make representations to the Regional Office of the Department of Marketing and Exports with a view to obtaining authority for the F.F.A. content of that particular parcel to be excluded from the calculations used in determining the weighted average F.F.A. content for the four weekly delivery concerned. Details of the penalties applicable will be given in a separate Circular Instruction on Payment Arrangements.

As stated in paragraph 16, if the test carried out by the Eastern Regional Produce Inspection Service at the Bulk Oil Plant reveals that the F.F.A. content of a container of Special Grade Palm Oil is above 4.5% (5% in the case of deliveries to the Abonnema Bulk Oil Plant) that container will be weighed and bulked separately and will be paid for at the rate of £40 per ton plus the buying allowance for technical palm oil Grade I appropriate to the type of container.

19. *Remission of Penalties Under Exceptional Circumstances:* Where exceptional circumstances entirely beyond the control of the licensed buying agent are responsible for an abnormal set-up in the F.F.A. content of a particular parcel of Special Grade Oil e.g. excessive delay in evacuation, a licensed buying agent may make representations to the Regional Office of the Department with a view to obtaining authority for the F.F.A. content of that particular parcel to be excluded from the calculations used in determining the weighted average F.F.A. content for the four weekly delivery concerned.

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

21. *Local Sales:* The Board has made arrangements to supply palm oil for processing within the Eastern Region. Consequently, licensed buying agents may be required to deliver some purchases of special grade palm oil to the premises of local processing firms instead of to Bulk Oil Plants. Full details of delivery procedure, payment and transport arrangements for such local sales will be issued in a separate Circular Instruction.

Port Harcourt, 31st December 1957.

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

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

74305/S. 3.

Dist. List: ERMB/PO.

APPENDIX II.

MEMORANDUM NO. ER/58/TPO

EASTERN REGIONAL MARKETING BOARD

1958 TECHNICAL PALM OIL MARKETING SCHEME

THE Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" Palm Oil for export in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of palm oil marketing in the Region. Stocks of 1957 palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1957 Technical Palm Oil Marketing Scheme.

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

2. *Duration of Scheme:* The period covered by the 1958 Technical Palm Oil Marketing Scheme will be from 3rd January, 1958 until a closing date to be announced later in the year.

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

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

The cable and telegraphic address is "EMANDEX"

The telephone number is Lagos 20544.

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

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

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

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

5. *Licensed Buying Agents*: The Board's Licensed Buying Agents are:—

- African Development Corporation Limited.
- African Pioneer Company Limited.
- African Produce Dealers Limited.
- Alagbon Industries Limited.
- E. O. Atakpa.
- Archibong Beaches Limited.
- Benson Ibeawuchi's Produce Buying Agency.
- S. M. Bleasby.
- P. A. Breedy.
- Chima Brothers and Sons Limited.
- Compagnie Francaise de L'Afrique Occidentale.
- Eastern Farmers Trading Company Limited.
- Eastern Farmers and Traders Company.
- Eastern Nigerian Co-operative Exporters Limited.
- Eastern Produce and Transport Company Limited.
- Eastern Region Development Corporation (Pioneer Oil Mills).
- D. J. Edoho.
- Fraser and Shepherd.
- Grespa Trading Company.
- J. O. Ihekwoaba and Sons Limited.
- M. E. K. Iloghalu.
- I. U. Imeh.
- Item Merchants Association Limited.
- John Holt and Company (Liverpool) Limited.
- G. N. Kanu and Sons.
- A.G. Leventis and Company Limited.
- G. A. Logios.
- T. N. Madu, Sons and Company Limited.
- Mandilas and Karaberis, Limited.
- F. O. Mbadiwe and Sons Limited
- Mezieike Mbieri Merchants Limited.
- Ndianiche Merchants Association Limited.
- Jinco and Brothers Limited.
- Z. C. Obi, Sons and Company Limited.

L. N. Obioha Brothers and Company.
 Okereke Brothers Limited.
 L. O. Okoro and Company Limited.
 G.B. Ollivant (Nigeria) Limited.
 E. C. I. Onuigbo, Sons and Company Limited.
 J. N. Oparaocha and Sons.
 Palm and Copra Merchants Company.
 Palm Industrial Association.
 Paterson Zochonis and Company Limited.
 Societe Commerciale De L'Ouest Africain.
 P. N. Uddoh Trading Company Limited.
 Umuahia-Ibeku Trading Company Limited.
 United Africa Company of Nigeria Limited.
 United Nnewi Transport Company.
 A. U. Utuk.

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

6. *Functions of Licensed Buying Agents:* The main functions are:—
- (a) to purchase palm oil at gazetted buying stations at not less than the minimum prices and with reasonable regularity throughout the duration of the scheme;
 - (b) to arrange for inspection in accordance with Produce Inspection Regulations and to provide the necessary containers and storage;
 - (c) to test and grade oil on purchase;
 - (d) to make such returns of purchases and stocks as the Board or its executive may require;
 - (e) to arrange for conveyance to Bulk Oil Plant installations by approved routes and to agree weights and quality on delivery with the Board's bulking agents.

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

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

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

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

These grades are as follows:—

			<i>Percentage of Free Fatty Acid</i>
Grade I	..	..	Not more than 9%
Grade II	..	..	More than 9% but not more than 18%
Grade III	..	..	More than 18% but not more than 30%

It is a condition of appointment of licensed buying agents that they strictly observe the Board's instructions with regard to the limits of f.f.a. in the three grades of Technical Palm Oil.

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

Grade I	..	..	..	£40. - -
Grade II	..	..	..	£28. - -
Grade III	..	..	..	£20. - -

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

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

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

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

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

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

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

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

The Expenses consist mainly of:—

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

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

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

Details of the 1958 buying allowances will be issued in a separate Circular Instruction.

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

Records will be kept of the free fatty acid content at time of bulking at each Bulk Oil Plant as ascertained under the procedure described in paragraph 16 above. On the basis of these records the weighted average free fatty acid content of a licensed buying agent's deliveries of each grade of oil will be separately determined in respect of each Bulk Oil Plant. In cases where the weighted average free fatty acid content of a particular grade at an individual Bulk Oil Plant exceeds the upper limits prescribed for that grade in paragraph 9 of this Memorandum by more than 2½% (the agreed allowance for set up between time of purchase and time of delivery to Bulk Oil Plant), a penalty graduated according to the extent of the excess will be imposed on the licensed buying agent concerned in respect of his total deliveries of that grade to the Bulk Oil Plant in question during the appropriate three monthly delivery period.

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

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

20. *Local Sales:* All applications to make local sales of Technical Palm Oil purchased for export should be addressed to the Department of Marketing and Exports, Works Road, Port Harcourt, as agent of the Board. No licensed buying agent may make local sales of Technical Palm Oil purchased for export without the expressed approval of the Department of Marketing and Exports acting as agents of the Board and all local sales so approved must be made in accordance with any terms and conditions prescribed by the Board.

Port Harcourt, 23rd December, 1957.

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board

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

E. 1370/S.2

Dist. List: (ERMB) P.O.

EASTERN REGIONAL MARKETING BOARD
1958 PALM KERNEL MARKETING SCHEME

The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" palm kernels for export in the Eastern Region during the period of this Scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of marketing of palm kernels in the Eastern Region. Stocks of 1957 palm kernels held by licensed buying agents will be dealt with in accordance with the instructions issued under the 1957 Palm Kernels Marketing Scheme. Palm Kernels purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

Duration of Scheme

2. The period covered by the 1958 palm kernels marketing scheme will be from 3rd January, 1958 until a closing date to be announced later in the year.

Executive of the Board

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

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

The cable and telegraphic address is "EMANDEX"
The telephone number is Lagos 20544.
The address of the Eastern Regional Office of the Department is:—

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

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

Instruction to Licensed Buying Agents

4. (i) *Crop Purchase*

The Department of Marketing and Exports, as the executive of the Regional Marketing Board, will issue to licensed buying agents the necessary detailed instructions regarding:—

- (a) Transport Differentials and Subsidies (see paragraph 10)
 - (b) Purchase and stock Returns (see paragraph 11)
 - (c) Standard Pack, Loss in Weight Allowance, Bags and Bag Markings
(see paragraph 14)
 - (d) Payment (see paragraph 19)
 - (e) Local Sales (see paragraph 21)
- and all other matters relating to crop purchase and evacuation.

(ii) *Shipment*

The Department of Marketing and Exports, as the executive of the Nigeria Central Marketing Board, will issue to licensed buying agents the necessary detailed instructions regarding:—

- (a) Checkweighing (see paragraph 15)
 - (b) Shipping Instructions and Documents (see paragraph 16)
- and all other matters relating to export and shipment.

Policy

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

Licensed Buying Agents

6. The Board's Licensed Buying Agents are:—
- African Pioneer Company Limited
 - African Produce Dealers Limited
 - Alagbon Industries Limited

Archibong Beaches Limited
 Benson Ibeawuchi's Produce Buying Agency
 P. A. Breedy
 Compagnie Francaise de L' Afrique Occidentale
 Eastern Farmers Traders Company Limited
 Eastern Farmers and Trading Company
 Eastern Nigerian Co-operative Exporters Limited
 Eastern Produce and Transport Company Limited
 Eastern Region Development Corporation (Pioneer Oil Mills)
 D. J. Edoho
 Fraser and Shepherd
 J. O. Ihekwoaba and Sons Limited
 Item Merchants Association Limited
 John Holt and Company (Liverpool) Limited
 A. G. Leventis and Company Limited
 T. N. Madu, Sons and Company Limited
 Mandilas and Karaberis Limited
 Jinco and Brothers Limited
 L. N. Obioha Brothers and Company
 L. O. Okoro and Company Limited
 G. B. Ollivant Limited
 E. C. I. Onuigbo, Sons and Company Limited
 Paterson, Zochonis and Company Limited
 H. B. Thom-Manuel
 Societe Commerciale De L' Ouest Africaine
 P. N. Uddoh Trading Company Limited
 United Africa Company of Nigeria Limited
 A. U. Utuk

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

3. The main functions are:—
 - (a) to purchase at gazetted buying stations at not less than the minimum prices with reasonable regularity throughout the duration of the scheme at least minimum tonnages of palm kernels for exports as stated in the conditions of appointment of licensed buying agents published by Eastern Regional Marketing board for the 1958 Marketing Year;
 - (b) to arrange for inspection in accordance with Produce Inspection Regulations and to bag to the standard weight as required by paragraph 14;

- (c) to finance purchases and provide suitable storage until time of shipment;
- (d) to make returns of purchases and stocks as the Board or its duly appointed executive may require;
- (e) to arrange for conveyance to port by approved evacuation routes without delay;
- (f) to comply with regulations and instructions regarding checkweigh and inspection at port;
- (g) to arrange for delivery on board ocean-going vessel or onto port transit sheds or Board Stores in accordance with such instructions as may be issued from time to time by the Department of Marketing and Exports;
- (h) to hand immediately on completion shipping documents as required duly completed to the Department of Marketing and Exports.

'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 or decayed kernels and/or extraneous matter, and which are thoroughly dry and hard.

Buying Price

9. The basic price is £29 per ton naked ex-scale port of shipment. The minimum prices payable at Gazetted buying stations up-country are based on the naked ex-scale port of shipment price less the appropriate cost of transportation by the approved normal route.

Transport Differentials and Subsidies

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

Purchase and Stock Returns

11. Details of returns which licensed buying agents will be required to render will be issued 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 port transit sheds

in accordance with such instructions as may be issued from time to time. Cost of insurance against such risks is included as an item in the buying allowance payable to licensed buying agents.

Deterioration

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

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

Standard pack, Loss in Weight Allowance, Bags & Bag Markings

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

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

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

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

Checkweighing

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

Shipping instructions and Documents

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

Shipping Expenses

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

Buying Allowance

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

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

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

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

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

(a) such transfers have been programmed and notified to the Department of Marketing and Exports and are carried on an intermediate bill of Lading;

(b) all relevant completed documents necessary to a claim being made under the Board's insurance cover have been submitted by the licensed buying agent within reasonable time to the Department of Marketing and Exports.

Payment

19. Detailed instruction regarding payment will be issued separately as a Circular Instruction.

Extraordinary Expenses

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

Local Sales

21. All applications to make local sales of Palm Kernels purchased for export should be addressed to the Department of Marketing and Exports, Works Road, Port Harcourt, as agent of the Board. No licensed buying agent may make local sales of Palm Kernels purchased for export without the expressed approval of the Department of Marketing and Exports acting as agents of the Board and all local sales so approved must be made in accordance with any terms and conditions prescribed by the Board.

Port Harcourt, 23rd December, 1957.

L. P. OJUKWU

Chairman Eastern Regional Marketing Board.

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

E.1250/S.2

Dist. List: ERMB P.K.

APPENDIX IV

MEMORANDUM NO. ER. 5758/C.

EASTERN REGIONAL MARKETING BOARD
1957/58 COCOA MARKETING SCHEME

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

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

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

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

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

The cable and telegraphic address is "EMANDEX".

The telephone number is LAGOS 20544.

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

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

The cable and telegraphic address is "EASTMARK".

The telephone number is PORT HARCOURT 8290.

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

- (a) Transport Differentials & Subsidies (See paragraph 12)
 - (b) Purchase and Stock Returns („ „ 13)
 - (c) Marking of Bags („ „ 21)
 - (d) Payment Arrangements („ „ 23)
 - (e) Purchase Tax („ „ 24)
- and all other matters relating to crop purchase and evacuation.

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

- (a) Checkweighing (See paragraph 18)
 - (b) Shipping Instructions and Documents („ „ 19)
- and all other matters relating to export and shipment.

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

6. *Licensed Buying Agents:* The Board's licensed buying agents are:—
Eastern Nigerian Co-operative Exporters Limited
G.B. Ollivant (Nigeria) Limited.
John Holt and Company (Liverpool) Limited.
The United Africa Company Limited.

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

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

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

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

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

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

10. *COCOA OF A QUALITY INFERIOR TO GRADE II WILL NOT BE PURCHASED BY LICENSED BUYING AGENTS.*

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

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

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

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

Transport Differentials and Subsidies

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

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. 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" checktesters of the Eastern Regional Produce Inspection Service as soon as possible after, and normally at the store of, original grading. The results of such checktest by "nominated" checktesters will be accepted as evidence of quality by the Eastern Regional Marketing Board. If on subsequent checktest at port or elsewhere, the cocoa is found to be of a lower grade than that established by the "nominated" checktest then provided the buying agent and all persons operating on his behalf have taken all normal precautions to prevent deterioration, the buying agent concerned will be entitled to apply to the appropriate officer of the Eastern Regional Produce Inspection Service for the issue of a Deterioration Certificate (see paragraph 15). The final checktest immediately prior to shipment will be carried out by the Federal Produce Inspection Service.

Deterioration

15. Buying agents will be required to bear any loss in value resulting from deterioration of cocoa between time of checktest by "nominated" checktester and time of shipment on board ocean-going vessel except where deterioration has

occurred through no fault of the buying agent or any agent employed by him. In such cases, the issue of a Deterioration Certificate will be considered by the Eastern Regional Produce Inspection staff at the buying agent's request.

Deterioration Certificates will only be issued where the licensed buying agent satisfies the issuing authority that the deterioration is not the result of failure to take all reasonable precautions to prevent deterioration during storage and transit or other negligence on his part. In this connection it is emphasized that parcels of cocoa must be evacuated for shipment from each buying station in the order in which they are bought; if cocoa purchased early in the season is held in store longer than cocoa purchased subsequently and deteriorates, unless there are any special considerations to be taken into account, no Deterioration Certificate will be issued. In order to assist licensed buying agents, bags of cocoa will be stamped by the Eastern Regional Produce Inspection staff with a numbered stamp which will indicate the week of the season in which the contents of the bag were graded.

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

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

Loss and Damages Insurance

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

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

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

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 142½ lb. gross (tare 2½ lb. 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% checkweighing in accordance with the procedure stated on a separate Circular Instruction to be issued by the Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board. If checkweighing discloses that the weight of any one bag is less than 141½ lb. gross (i.e. the Standard pack of 142½ lb. gross less 1lb. 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 Nigeria Central Marketing Board will issue shipping instructions to the licensed buying agents. As soon as the Shipping Company or their authorised Agent calls forward the tonnage allocated to licensed buying agents the necessary sets of Bills of Lading will be raised and presented to the Shipping Company by the licensed buying agents concerned.

The consignor shown on the Bills of Lading will be the Nigeria Central Marketing Board; Shipping Instructions will state the name of the consignee. The weights to be shown on the Bills of Lading will be calculated by regarding sixteen bags as weighing 1 ton net plus 40 lbs. for tare.

Produce Inspection Fees and Shipping Expenses

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

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 1957/58 season will be announced shortly in a separate Circular Instruction.

Payment

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

Purchase Tax

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

Extraordinary Expenses

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board

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

Port Harcourt,
16th August, 1957.

APPENDIX V

MEMORANDUM NO. ER/5758/B

EASTERN REGIONAL MARKETING BOARD

1957/58 BENNISEED MARKETING SCHEME

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

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

Executive of the Board

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

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

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

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

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

The cable and telegraphic address is "EASTMARK" PORT HARCOURT.
The telephone number is PORT HARCOURT 8290.

Instructions to Licensed Buying Agents

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

- | | |
|--|---------------------|
| (a) Transport Differentials | (See paragraph 10) |
| (b) Purchase and Stock Returns | (" " 11) |
| (c) Standard Pack, Bags and Bag Markings | (" " 13) |
| (d) Payment | (" " 15) |

and all other matters relating to crop purchases and evacuation.

(ii) *Shipment*: The Department of Marketing and Exports as executive of the Nigeria Central Marketing Board will issue to Licensed Buying Agents the necessary instructions regarding:—

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

Policy

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

Licensed Buying Agents

6. The Board's licensed buying agents for the 1957/58 season are the under-mentioned firms. The Board reserves the right to appoint additional buying agents during the period covered by the Scheme:

John Holt and Company (Liverpool) Limited.

Functions of Licensed Buying Agents

7. (a) To purchase at gazetted buying stations at not less than the minimum prices;

- (b) To bag to the standard weight as required by paragraph 12, and provide suitable storage until time of shipment;
- (c) To finance purchases and make such returns of purchases and stocks as the Board or its duly authorised executive may require;
- (d) To arrange for conveyance to port by approved routes without delay;
- (e) To comply with regulations and instructions regarding weighing at time of shipment;
- (f) To arrange for delivery on board ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports, or if instructed, to rail stocks to the port transit sheds or Board Stores at Port Harcourt;
- (g) To hand without delay, shipping documents as required duly completed to the Department of Marketing and Exports.

Quality

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

Buying Price

9. The flat minimum naked ex-scale buying price for bennisced at all approved buying stations will be £37.10s. per ton

Transport Differentials:

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

Purchase and Stock Returns:

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

Storage and care of Bennisseed:

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

Standard Pack:

13. All bennisseed will be packed in new bags of at least "A" twill quality to a standard pack of 175 lbs gross. Tare will be $2\frac{1}{2}$ lbs per bag, giving standard pack weight of 13 bags per ton nett. Licensed Buying Agents are reminded that bags must be sewn without lugs by means of lock stitches not more than one inch apart. Special care must be taken to ensure that all bags are in a sound condition. *In no circumstances may coffee bags be used for bagging bennisseed.* The necessary instructions regarding marks to be placed on bags containing bennisseed will be given in a separate Circular Instruction.

Deterioration of Stocks:

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

Buying Allowances and Payment:

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

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 port transit sheds or Board Stores in accordance with separate instructions, with the exception of those risks generally specified by the Insurance Companies as excluded under the terms of their policies. The following are the excepted risks for which the Board is prepared to assume responsibility:

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

Extraordinary Expenses:

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

L. P. OJUKWU

Chairman Eastern Regional Marketing Board.

Port Harcourt
25th April, 1957.

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

File E. 1631/S. 1
Dist. List: ERMB/B

APPENDIX VI

MEMORANDUM NO. ER/5758/SB.

EASTERN REGIONAL MARKETING BOARD

1957/58 SOYA BEANS MARKETING SCHEME

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

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

Executive of the Board

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

The address of the Headquarters of the Department is:—

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

The cable and telegraphic address is "EMANDEX".

The telephone number is LAGOS 20544.

The address of the Eastern Regional office of the Department is:—

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

The cable and telegraphic address is "EASTMARK".

The telephone number is PORT HARCOURT 8290.

Instructions to Licensed Buying Agents

4. (i) *Crop Purchases:*

The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:—

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

and all other matters relating to crop purchases and evacuation.

(ii) *Shipment:*

The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding

- (a) Checkweighing
- (b) Shipping Instructions and Documents.

all other matters relating to export and shipment.

Policy

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

Licensed Buying Agents

6. The Board's Licensed Buying Agents for the 1957/58 Season are the undermentioned firms:—

JOHN HOLT AND COMPANY (LIVERPOOL) LIMITED
UNITED AFRICA COMPANY OF NIGERIA LIMITED

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

Functions of Licensed Buying Agents

- 7. (a) to purchase at buying stations at not less than the minimum price;
- (b) to bag to the standard weight as required by paragraph 13, and provide suitable storage until time of shipment;

- (c) to finance purchases and make such returns of purchases and stocks as the Board or its duly appointed executive may require;
- (d) to arrange for conveyance to port by approved routes without delay;
- (e) to comply with regulations and instructions regarding weighing at time of shipment;
- (f) to arrange for delivery on board ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports, or if instructed, to rail stocks to the Port Transit Sheds or Nigerian Ports Authority Stores at Port Harcourt;
- (g) to hand, without delay, shipping documents as required duly completed, to the Department of Marketing and Exports.

Quality

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

Buying Price

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

Transport Differentials

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

Purchase and Stock Returns

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

Storage and care of Soya Beans

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

Standard Pack

13. All soya beans will be packed *in new bags of at least "B" twill quality* to a standard pack of 185 lbs. gross. Tare will be $2\frac{1}{3}$ lbs. per bag.

Loss and Damage—Insurance

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

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

Deterioration of Stocks

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

Checkweighing and Shipping Instructions

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

Buying Allowance and Payment

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

Extraordinary Expenses

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

File E. 1531/S. 2

Port Harcourt,
30th November, 1957.

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

APPENDIX VII

MEMORANDUM NO. ER/5758/G.

EASTERN REGIONAL MARKETING BOARD
1957/58 GROUNDNUT MARKETING SCHEME

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

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

Season

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

Executive of the Board

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

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

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

The address of the Eastern Regional Office of the Department is:—
Assistant Director (Marketing),
Department of Marketing and Exports,
Works Road,
Port Harcourt.

The cable and telegraphic address is "EASTMARK".
The telephone number is PORT HARCOURT 8290.

Instructions to Licensed Buying Agents

4. (i) *Crop Purchases:*

The Department of Marketing and Exports as the executive of the Board will issue to licensed buying agents the necessary instructions regarding:—

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

and all other matters relating to crop purchase and evacuation.

(ii) *Shipment:*

The Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board will issue to licensed buying agents the necessary instructions regarding:—

- (a) Checkweighing
- (b) Shipping Instructions and Documents

and all other matters relating to export and shipment. Licensed buying agents will be informed from which Departmental office Circular Instructions on the various subjects will issue.

Policy:

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

"Special Grade" Groundnuts

6. "Special Grade" Groundnuts are defined as groundnuts of "Exportable Quality" containing NOT LESS than 70% by weight of whole nuts.

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

Licensed Buying Agents

7. The Board's licensed buying agents for the 1957/58 Season are the under-mentioned firms:—

John Holt and Company (Liverpool) Limited
The United Africa Company of Nigeria Limited

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

Functions of Licensed Buying Agents

8. The main functions are:—

- (a) to purchase at buying stations at not less than the minimum prices;
- (b) to bag to the standard weight as required by paragraph 14;
- (c) to finance purchases and provide suitable storage until time of shipment;
- (d) to make such returns of purchases and stocks as the Board or its duly appointed executive may require;
- (e) to arrange for conveyance to port by approved routes without delay;
- (f) to comply with regulations and instructions regarding check-weighing;
- (g) to arrange for delivery on board ocean-going vessel or railway transit sheds at Port Harcourt according to instructions given by the Board's executive;
- (h) to hand without delay to the Board or its executive shipping documents as required.

Buying Price

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

Transport Differentials and Subsidies

10. Details will be given 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.

Quality

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

Storage and care of Groundnuts

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

Deterioration of Stocks

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

Standard Pack

15. All groundnuts will be packed in new bags of at least "B" twill quality to a standard pack of 175 lbs. gross. Tare will be $2\frac{1}{4}$ lbs. per bag. Buying agents are reminded that bags should be sewn up, without lugs, by means of lock stitches not more than one inch apart.

Buying Agents' Marks

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

Checkweighing and Shipping Instructions

17. Details will be issued in a separate Circular Instruction.

Buying Allowance and Payment

18. Details will be issued in a separate Circular Instruction.

Loss and Damage Insurance

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

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

Local Sales

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

Extraordinary Expenses

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board

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

File: E.1041

Port Harcourt,
14th November, 1957.

APPENDIX VIII

EASTERN REGIONAL MARKETING BOARD

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

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

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

Minimum Conditions:

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

			Tons
Palm Kernels	..	..	400
Palm Oil	..	..	200

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

			Tons
Palm Kernels	..	..	875
Palm Oil	..	..	300

(b) *Containers:* Licensed Buying Agents will be required to produce evidence that they own sufficient containers to cover their purchases. The minimum requirements are:—

Palm Kernels	..	17 bales each of 300 new bags.
Palm Oil	..	Drums/casks to the satisfaction of the Eastern Regional Produce Inspection Service.

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

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

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

The minimum requirements are as follows:—

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

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

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

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

(a) *Equipment.*— That he possesses the required equipment for the grading of produce for export.

(b) *Inspection of Produce.*—That he will be able to provide grading equipment and an adequate labour force at all stores.

(c) *Returns.*— That he will render promptly and accurately all returns, particularly as to purchases and stocks, which may be called for by the Board's executive.

(d) *Evacuation.*—That he will be able to make arrangements to secure the necessary transport by road, rail and water to ensure the smooth and regular evacuation of produce by approved routes.

(e) Delivery.—That he can arrange delivery of palm oil to the appropriate Bulk Oil Plant and of palm kernels to Port transit Sheds or Board Storcs, Port Harcourt, or to f.o.b. ocean vessel. In the case of palm kernels delivered f.o.b. ocean vessel, he must possess organisation at Port or the ability to secure reliable agents to ensure the accurate preparation and prompt submission of shipping documents as required and the carrying out of all duties involved in the delivery of palm kernels to f.o.b. point.

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

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

APPENDIX IX

MEMORANDUM NO. ER./DBA/5961

EASTERN REGIONAL MARKETING BOARD

Memorandum to Licensed Buying Agents
Determination of Buying Allowances

SECOND THREE-YEAR AGREEMENT

I. POLICY

It is agreed that the following are the main desiderata which should determine the basis on which the buying allowances payable by the Board should be fixed:—

- (a) to provide a reasonable return to the Buying Agent for the use of his organisation and for the risks which he undertakes;
- (b) to give an incentive to the Buying Agent to provide the best and most efficient service to the Board and the producer;
- (c) to establish for a period of years an agreed method for determining the buying allowance;
- (d) to base the allowance as far as possible on ascertained fact and accepted principle;
- (e) to reduce negotiation and "bargaining" to a minimum;
- (f) to adopt a method which is completely defensible.

2. SCOPE AND DURATION OF SCHEME

The scheme will apply for three marketing years, that is, in the case of Groundnuts and Soya Beans to the crops seasons 1958-59, 1959-60 and 1960-61, in the case of Oil Palm Produce to the Marketing Years 1959, 1960 and 1961 and in the case of Benniseed and Cocoa to the crop seasons 1959-60, 1960-61 and 1961-62.

3. NATURE OF BUYING ALLOWANCE

A buying allowance is a uniform and comprehensive payment expressed as so much per unit of purchase of the relative produce bought by the Board, consisting of two main parts:—

- (a) *Remuneration* that is, a payment for the services rendered and the financial risks undertaken by a Buying Agent in his capacity as such.
- (b) *Expenses* that is, reimbursement of expenses necessarily incurred by a Buying Agent in his capacity as such.

4. AMOUNTS OF STANDARD BLOCK BUYING ALLOWANCES

The standard block buying allowances set out below for each kind of produce are rates per ton based on standard producer prices (see Note (a) below) and are fixed for the duration of this Agreement (subject to the provisions of paragraph 5 below); they will *not* be adjusted to take account of variations in the size of the crops, or of the United Kingdom Bank Rate, interest being paid at the fixed rate of six per cent per annum.

Kind of Produce	Standard Producer Price Per Ton			Standard Block Buying Allowance Per Ton.		
	£	s.	d.	£	s.	d.
Cocoa	171	0	0	9	4	0
Palm Kernels	29	0	0	5	2	0
Special Grade and Plantation Palm Oil Technical Palm Oil	47	15	0	7	15	3
(i) Delivered to B.O.P. in drums	40	0	0	7	8	6
(ii) Delivered to B.O.P. in casks	40	0	0	8	7	0
Groundnuts	34	0	0	6	8	0
Benniseed	39	10	0	8	2	0
Soya Beans	18	0	0	5	2	0

Note (a)

The standard producer prices are net. The basis is naked ex-scale throughout; delivered port of shipment for cocoa and palm kernels, delivered port of shipment |Bulk Oil Plant for palm oil and flat rate buying station for soya beans, benniseed and groundnuts. The block buying allowances will vary directly with each variation of £1 per ton from the standard producer prices by the amount of sixpence per ton in the case of cocoa and one shilling per ton for all other commodities (and proportionately for any fraction). For example, if in a given year the net producer prices for Palm Kernels were fixed as in Column 1 below, the block buying allowances would be as in Column 2 below.

	Column 1 Hypothetical Producer Price Per Ton			Column 2 Corresponding Block Buying Allowance Per Ton.		
	£	s.	d.	£	s.	d.
Rise in Producer Price	32	0	0	5	5	0
Fall in Producer Price	26	0	0	4	19	0

It is agreed that the block buying allowances detailed above include a Remuneration element and reimbursement for all expenses, including overheads, which an efficient Buying Agent would normally be expected to incur in properly carrying out his functions (as defined in the published conditions of appointment and the various memoranda issued by the Board) from time of purchase of the produce until time of delivery on board ocean-going vessel or, in the case of palm oil, to Bulk Oil Plant/ocean going-vessel.

The following items have been taken into account in calculating the standard block buying allowances:—

- Containers
- Overheads (Variable and Static)
- Finance Charge
- Insurance
- Middlemen's Commission (Benniseed only at rate, paid during the
1958/59 season)
- Interest
- Remuneration
- Loss in Weight (Palm Oil only).

The calculation of the standard block buying allowances is based on the expenses necessarily incurred by Buying Agents in marketing an average-sized crop of each kind of produce and takes account of the period during which Buying Agents lay out money for the Board's account. An average-sized crop is agreed to be as follows:—

Cocoa	...	...	...	...	1,800	Tons
Palm Kernels	...	...	...	...	205,000	"
Palm Oil	...	...	...	...	160,000	"
Benniseed	...	...	...	...	100	"
Soya Beans	...	...	...	...	250	"

No tonnage figure is included for groundnuts because of insufficient data.

5. PROCEDURE FOR AMENDMENT OF BLOCK BUYING ALLOWANCE

The Board will accept a claim for a compensatory payment should it transpire that average purchases during one marketing year or crop season are more than 10% below the tonnages set out in the immediately preceding sub-paragraph. Similarly, in the event of the average purchases during one marketing year or crop season rising more than 10% above those tonnages Licensed Buying Agents will be required to accept an appropriate debit.

Negotiations arising from any claim made under the provisions of this paragraph shall take into account the general level of marketing costs and shall not be confined to single items, except that a claim based specifically on a major change in the cost of containers shall be admissible.

No claim for which retrospective effect is sought will be entertained unless it is presented before the expiry of three calendar months after the closing date of the appropriate crop season or marketing year, which will be notified to the Buying Agents and gazetted in the Eastern Regional Gazette.

6. EXTRAORDINARY EXPENSES

It is agreed that "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 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.

7. PROCEDURE FOR REDUCTION OF RATES OF PAYMENT AS A RESULT OF THE BOARD RELIEVING LICENSED BUYING AGENTS OF RESPONSIBILITY FOR THE PERFORMANCE OF CERTAIN FUNCTIONS.

As stated in paragraph 4 above, the block buying allowances cover all expenses for Buying Agents until time of delivery on board ocean going vessel or to Bulk Oil Plant, as the case may be. In the event of the Board assuming responsibility for the performance of any functions which were formerly the responsibility of Buying Agents (such as receiving produce before shipment into a Board Store) the rate of payment to the Buying Agents concerned will be reduced by an amount agreed in negotiation to represent the cost of the functions which Buying Agents no longer perform.

The provisions of this paragraph apply only to arrangements applicable to a part of the Region. Should the Board take over functions throughout the Region which were formerly the responsibility of Buying Agents, an approach for revision of the block buying allowance concerned would be made in accordance with the provisions of paragraph 5 above.

L. P. OJUKWU,
Chairman, Eastern Regional Marketing Board.

Port Harcourt
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