

EASTERN REGION OF NIGERIA

Second
Annual Report
of the
EASTERN REGIONAL
MARKETING BOARD

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

1st January, 1956 - 31st December, 1956

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INTRODUCTION

1. General

This Report, the Second Annual Report of the Eastern Regional Marketing Board, has been prepared in accordance with the requirements of Section 33 (1) of the Eastern Regional Marketing Board Law 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.”

This, the Board's Second Annual Report, has been prepared accordingly and covers the period 1st January 1956 to 31st December 1956.

2. Arrangement of the Report

In general this Report follows the arrangement adopted for the Board's First Annual Report. It is divided into nine main sections under the following headings :—

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

I. GENERAL

3. Functions, Powers and Duties of the Eastern Regional Marketing Board.

It is the duty of the Board to secure the most favourable arrangements for the purchase and evacuation to ports of shipment of produce intended for export and by means of its allocation of funds to any Corporation established in the Eastern Region under any written Law or to any local government body in the Eastern Region to promote the development of the producing industries and the benefit and prosperity of the producers and the areas of production. The Board is also authorised to apply its funds to the cost of scientific research into all matters affecting the produce with which the Board deals. The Board is also given specific powers to fix and stabilise prices and control the activities of any person engaged in the sale and purchase for export or for mechanised processing of commodities subject to its Law.

4. Responsibilities of the Representative Committees

The Palm Oil Industry Representative Committee, the Cocoa Representative Committee and the Minor Produce Representative Committee, which were set up by the Eastern Regional Marketing Board Law, 1954, (No. 5 of 1954) are responsible for advising the Marketing Board on all matters in connection with the purchase and grading of produce subject to the Board's Law.

5. Regulations made under Eastern Regional Marketing Board Law, 1954 (No. 5 of 1954)

The Board approved draft regulations entitled the Eastern Regional Marketing Board Regulations, (1955), (E.R.L.N. No. 285 of 1955). These regulations were approved by the Minister and published in the supplement to the Eastern Region of Nigeria Gazette No. 61 of 29th December 1955.

A copy of these Regulations is attached to this Report as Appendix I.

Under these Regulations the Board is empowered to appoint officers as Inspectors for the purposes of the Marketing Board Law and the Regulations made thereunder.

II. MEMBERSHIP, MEETINGS AND EXECUTIVE ARRANGEMENTS OF THE BOARD

6. Membership of the Board

Following enactment of the Law No. 39 of 1955 amending the Eastern Regional Marketing Board Law (No. 5 of 1954) the membership of the Board was reduced in number with effect from 1st February 1956, and the two representatives of the licensed buying agents ceased to be members of the Board. Vacancies caused by the resignations of Mr. A. H. Young, C.B.E., Mr. C. C. Okoye and Mr. J. G. Mbadiwe during 1955 remained unfilled

throughout 1956, and at 31st December of that year the membership of the Board was as follows:

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

7. Meetings of the Board

Three Meetings were held during the year as follows:
Seventh Meeting held at Enugu on 23rd February 1956.
Eighth Meeting held at Port Harcourt on 14th August 1956.
Ninth Meeting held at Port Harcourt on 6th November 1956.

8. Secretary to the Board

The Assistant Director (Marketing) Eastern Region, of the Department of Marketing and Exports who was appointed by His Excellency the Governor of the Eastern Region as Secretary to the Board upon its establishment, has continued in the period under review to discharge the duties as Secretary to the Board.

9. Executive Arrangements of the Board

The Department of Marketing and Exports, the executive organisation of the Board, continued to be responsible in 1956 for the day to day administration of the Board's affairs. During the course of the year the Board's new executive offices were opened in Port Harcourt and the Board first met in the new building on 14th August 1956, for its Eighth Meeting. Accommodation for the staff of the Board's executive did not become available until later in the year and it was not possible until December to transfer part of the Regional Executive staff from Lagos to Port Harcourt.

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

10. Auditors

Messrs. Cooper Brothers continued to act as auditors to the Board.

11. Representative Committees

(a) Palm Oil Industry Representative Committee

The composition of the Palm Oil Industry Representative Committee remained unchanged throughout the year and at 31st December 1956 was as follows:

- Chief J. A. Ibangha, *Chairman*.
- The Permanent Secretary to the Ministry of Finance.

The Principal Trade Officer, Ministry of Trade.
 Mr. O Archibong (Representative of the Licensed Buying Agents).
 Mr. J. U. Whyte.
 Mr. R. O. Ukuta, M.B.E., M.H.A.
 Chief P. O. Okoye.
 Mr. G. E. Okeke.
 Mr. M. N. Ugochukwu.
 Mr. J. O. Ihekwoaba, M.H.A. }
 Prince Eket Inyang-Udoh } Board Members.
 Chief J. A. Nwosu.

The Committee met during the year as follows:

- Fifth Meeting at Enugu on 17th April 1956.
- Sixth Meeting at Port Harcourt on 7th November 1956.

(b) *Cocoa Representative Committee*

There was no change in the membership of the Cocoa Representative Committee during the year and at 31st December 1956 was as follows:

Mr. J. O. Fadahunsi, M.H.A., *Chairman*.
 The Director, Eastern Regional Produce Inspection Service.
 The Assistant Secretary (Estimates), Ministry of Finance.
 John Holt & Company (Liverpool) Limited (Representative of the Licensed Buying Agents).
 Mr. G. E. Nwaoha.
 Mr. C. T. Onyekwelu.
 Mr. E. C. I. Onuigbo.
 Mr. G. I. Agina.
 Mr. P. C. Ndu.
 Chief Ogbonna Uruakpa.
 Chief N. B. Wokoma-Horsfall (Board Member).

The Committee met during the year as follows:

- Third Meeting at Enugu on 17th April 1956.
- Fourth Meeting at Port Harcourt on 15th August 1956.

(c) *Minor Produce Representative Committee*

Membership of the Minor Produce Committee remained unchanged throughout 1956 and at the end of the year was as follows:

Mr. M. E. Soba, *Chairman*.
 The Director of Agriculture, Eastern Region.
 The Registrar of Co-operative Societies, Eastern Region.
 Okereke Brothers Limited (Representative of the Licensed Buying Agents).
 Chief W. A. Obassey.
 Chief G. E. Ekwueme.
 Mr. T. K. Utchay.
 Mr. S. E. K. Iwueke, M.H.A.
 Mr. D. J. Edoho.
 Mr. E. A. Agim.
 Mr. V. A. Nwankwo, M.H.A. }
 Mr. L. N. Obioha } Board Members.

Meetings of the Committee were held during the year as follows:

Third Meeting at Enugu on 17th April 1956.

Fourth Meeting at Port Harcourt on 15th August 1956.

12. Secretary to the Representative Committees

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

III. PRODUCER PRICE POLICIES: OIL PALM PRODUCE COCOA, BENNISEED AND SOYA BEANS

13. Oil Palm Produce

The following are the producer prices paid in the Eastern Region for oil palm produce in each of the years 1952-1955:

	1952			1953			1954			1955		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Palm Kernels per ton, naked ex-scale port of shipment ...	36	0	0	34	0	0	34	0	0	30	0	0
Palm Oil per ton, naked ex- scale Bulk Oil Plant: ...												
<i>Special Grade "A"</i> ...	80	0	0	75	10	0	65	0	0	58	0	0
<i>"B"</i> ...										48	0	0
<i>Technical Palm Oil:</i>												
Grade I ...	61	0	0	58	0	0	50	0	0	38	0	0
Grade II ...	47	0	0	45	0	0	38	0	0	28	0	0
Grade III ...	35	0	0	34	10	0	33	0	0	20	0	0
Grade IV ...	30	0	0									

At its Sixth Meeting, held on 1st November 1955, the Board considered its producer price policy for the 1956 Oil Palm Produce Marketing Year. At that time the estimated trading results for 1955 indicated that the Board was likely to make a surplus on its technical palm oil and palm kernel selling operations but that this surplus would be largely cancelled out by a deficit on Special Grade palm oil sales. Market prospects for 1956 appeared to justify the maintenance of technical palm oil and palm kernels at their existing levels but that some reduction in the producer price for Special Grade oil was necessary if the drain on the stabilisation reserves of the Board was to be reduced. It was also considered that the price differential between Special Grade and Grade I technical palm oil producer prices should be more closely related to the overseas difference in market values.

In the light of the Board's financial position, future market prospects and after considering the advice of the Nigeria Central Marketing Board, the Board fixed in consultation and with the agreement of the Palm Oil Industry Representative Committee the following producer prices for the 1956 Oil Palm Produce Marketing Year:

	<i>Per Ton</i>
	£
<i>Palm Kernels</i>	30
<i>Palm Oil:</i>	
*(a) Special Grade Palm Oil	50
(b) Technical Palm Oil :	
Grade I	38
Grade II	28
Grade III	20

* For the 1956 Oil Palm Produce Marketing Year only one grade of Special Grade Oil was purchased for export.

14. Cocoa

The producer prices to be paid in the 1956-57 Cocoa Season were considered by the Board at its Eighth Meeting held on the 14th August 1956. During the 1955-56 Season, cocoa had been in plentiful supply and this factor had had a dominating effect on overseas markets. Crops in the main producing countries had been good and there was in consequence a considerable build-up of stocks in manufacturers hands. Consumption, however, was not keeping pace with rising stocks and this had led to a sharp and unexpected decline in prices. The 1955-56 season's cocoa trading results at the time the Board met showed that it had been necessary to support the cocoa producer price by about £40 per ton. The producer prices paid in the 1955-56 Cocoa Season and the three preceding seasons were as follows:

	1952/53	1953/54	1954/55	1955/56
	<i>Per Ton</i>	<i>Per Ton</i>	<i>Per Ton</i>	<i>Per Ton</i>
	£	£	£	£
Main Crop Grade I ...	170	170	200	200
Main Crop Grade II ...	155	155	185	185
Light Crop Grade I ...	165	170	200	200
Light Crop Grade II ...	150	155	185	185

Market prospects for the 1956/57 Cocoa crop were by no means favourable with the likelihood of a record West African cocoa crop and consumption lagging behind production. The Board considered that if it was to be in a position for some time to come to insulate the producer against the more drastic world market fluctuations in prices, a reduction in the level of producer prices for the 1956/57 season was justified in order to avoid the depletion of stabilisation reserves to a level which would impair its ability to carry out this objective. Accordingly it was decided to reduce the level of producer prices by 25 per cent for the 1956/57 Cocoa Season. Even at these reduced levels, market prospects indicated that it would still be necessary to support producer prices in order to maintain throughout the season the producer prices announced. This decision was subsequently endorsed by the Cocoa Representative Committee. The prices fixed for the 1956/57 Cocoa Season were as follows:

*Main and Light Crops
(Per Ton)*

					£
Grade I	...	...	...	...	150
Grade II	...	...	...	...	135

The Board also decided in view of the very considerable fluctuations in the market value of cocoa, that it could no longer continue the practice of announcing guaranteed minimum producer prices for a season ahead. Accordingly no minimum guaranteed producer price was fixed for the 1957/58 Cocoa Season.

15. Benniseed

Only a very small quantity of total Nigerian exports of benniseed is produced in the Eastern Region, mainly in Ogoja areas. It has been possible to maintain unchanged a flat rate producer price of £36 per ton at all buying stations for the last four seasons.

Selling prospects for the 1956/57 season Benniseed crop at the time the Board met to consider the producer price for the 1956/57 Season indicated that there was unlikely to be any serious decline in selling values and the Board, with the concurrence of the Minor Produce Representative Committee, decided for the Fifth season in succession, to maintain the flat rate producer price for benniseed at £36 per ton.

16. Soya Beans

Since the 1951/52 Season, the flat minimum naked ex-scale buying station price for soya beans at all approved buying stations had remained at £20 per ton. The price of £20 per ton paid in these seasons approximately equalled, after deduction of costs to f.o.b. point, the world market price. It has not, therefore, been possible to build up a large stabilisation reserve for this commodity. In the 1955/56 season the soya beans crop was disposed of at an average price below the Nigerian equivalent producer price.

On the 23rd February 1956, at its Seventh Meeting the Board, having considered future market prospects for the 1956/57 Soya Beans crop and the advice of the Nigeria Central Marketing Board to the effect that it would be prudent to reduce the producer price, announced as a provisional pre-planting price for the 1956/57 Soya Beans Season, a flat rate minimum price of £18 per ton. On the 14th August 1956 at its Eighth Meeting, the Board considered that as market prospects had not improved since it announced a minimum pre-planting price of £18 per ton, that price should be fixed as the final minimum price for the 1956/57 Season. This decision was subsequently endorsed by the Minor Produce Representative Committee.

17. Producer Prices Viewed in Retrospect

Oil Palm Produce

Sales of palm kernels on world markets in 1956 followed very closely the estimated prices forecast at the time producer prices to be paid in that

year were fixed by the Board: the average f.o.b. price obtained on the sale of Nigerian palm kernels in 1956 was £45 4s. 5d per ton. Average f.o.b. sales prices were £84 2s. 2d. per ton for edible oil and £71 7s. 6d. per ton for technical palm oil. On palm kernels a net trading surplus of £567,733 was realised and on palm oil £2,324,398. Taking into account the size of the Board's oil palm produce operations, a total net trading surplus of £2,892,131 is not excessive as from this total must be deducted purchase tax of £1,087,477 paid by the Board to the Eastern Regional Government, and administrative costs.

Cocoa

The 1956/57 Cocoa Season does not close until September 1957, but at the end of the period covered by this Report, i.e. 31st December 1956, it was already apparent that the Board's cocoa stabilisation reserves would be further depleted as a result of having to support producer prices by nearly £15 per ton.

Benniseed and Soya Beans

The trading results of the Board's selling operations on the 1956/57 Benniseed and Soya Beans crops are likely to result in a small surplus.

IV. MARKETING ARRANGEMENTS FOR BOARD CROPS MARKETED IN THE EASTERN REGION OF NIGERIA

18. Marketing Schemes

Marketing Schemes approved by the Board, setting out the main principles under which the marketing of each crop would be carried out, were issued after consultation with the Eastern Regional Licensed Buying Agents' Committee. The Board's executive is responsible for the operation of these marketing schemes and issues detailed circular instructions covering all the various aspects of marketing such as transport differentials applicable between buying stations and port of shipment, bag markings, payment arrangements, shipping instructions, etc. The marketing schemes issued for the 1956 Oil Palm Produce Marketing Year and 1956/57 crop seasons are listed below and copies are attached as Appendices to this Report.

- Appendix II 1956 Palm Kernels Marketing Scheme
- „ III 1956 Special Grade Palm Oil Marketing Scheme
- „ IV 1956 Technical Palm Oil Marketing Scheme
- „ V 1956/57 Cocoa Marketing Scheme
- „ VI 1956/57 Benniseed Marketing Scheme
- „ VII 1956/57 Soya Beans Marketing Scheme.

Under these marketing schemes licensed buying agents are responsible for purchasing graded produce at not less than the minimum prices laid down by

the Board; for the packing of the produce and for its evacuation and delivery to the Board. They are responsible for any damage or loss taking place before delivery and are given an appropriate allowance to meet insurance costs to cover these risks.

The following important changes may be noted in marketing arrangements for the 1956 Oil Palm Produce Marketing Year and 1956/57 crop seasons:

(a) *Oil Palm Produce Marketing Scheme*

In the Special Grade Palm Oil Marketing Scheme a suitable instruction was written in to give effect to the decision that one grade only of Special Palm Oil would be purchased during the 1956 Season.

It was decided to institute a short moratorium period of one week at the close of the year. The 1956 Marketing Year was therefore closed on 27th December 1956, and an official announcement was made to the effect that for a period of one week following the closing date announced, and prior to the opening date of the 1957 Marketing Year, no buying of produce would take place and grading would only be in respect of produce bought prior to the closing date. This moratorium period enabled produce purchased in 1956 to be graded before the opening of the 1957 Oil Palm Produce Marketing Year.

(b) *Cocoa*

The franchise allowed to licensed buying agents to cover loss in weight from time of purchase and standardisation to time of delivery to ocean vessel was reduced from $1\frac{1}{2}$ lb. per standard pack of $142\frac{1}{2}$ lb. to $\frac{1}{2}$ lb. per standard pack of similar weight.

(c) *Benniseed*

With a view to improving the quality of benniseed exported from Nigeria the Central Marketing Board prescribed a standard of exportable quality, and this prescription was written into the 1956/57 Marketing Scheme.

19. Plantation Palm Oil.

The Board continued to purchase palm oil produced on the plantations of Pamol Ltd. on the same terms as for the 1955 Marketing Year and at a price directly related to the price for Special Grade Palm Oil.

20. Opening and Closing Dates

Under the Eastern Regional Marketing Board Law, 1954 (No. 5 of 1954) the Board has powers to prescribe by Public Notice specific periods during which the buying of produce offered for sale for export or mechanised processing shall be prohibited, restricted or allowed. In exercise of these powers, suitable opening and closing dates were fixed for the various crops after consultation had taken place with all the interested authorities concerned.

21. Buying Allowances

With the regionalisation of the Marketing Boards it became necessary to negotiate a new buying allowance agreement based on the audited costs of licensed buying agents operating in the Eastern Region. A draft Agreement was drawn up incorporating general principles and setting out on a fully defensible basis the components of the allowances, so that in each season the various items comprising the buying allowance could be calculated on a purely arithmetical basis, thus avoiding annual negotiations between the Board and its licensed buying agents. The Board approved the draft Agreement and authorised its executive to conclude negotiations with the Eastern Region Licensed Buying Agents' Committee. Agreement on all points was subsequently reached and the First Three Year Buying Allowance Agreement was brought into being with effect from the 1955/56 crop seasons and the 1956 Oil Palm Produce Marketing Year.

The following set out the buying allowances paid during the 1956 Oil Palm Produce Marketing Year and 1956/57 Cocoa, Bennisseed and Soya Beans Seasons together with the comparative allowances paid in the previous year under the old Agreement:

Crop	1955			1956		
	£	s.	d.	£	s.	d.
Palm Kernels	4	16	1	5	5	6
	—			7	14	1
<i>Special Grade Oil (Drums):</i>						
Grade A	7	7	3	—		
Grade B	6	16	6	—		
<i>Technical Palm Oil (Drums):</i>						
Grade I	6	5	6	6	19	9
Grade II	5	11	9	6	6	7
Grade III	5	4	7	5	18	11
<i>Special Grade Oil (Casks):</i>						
Grade A	7	18	1	—		
Grade B	7	8	0	—		
<i>Technical Palm Oil (Casks):</i>						
Grade I	6	17	8	7	19	10
Grade II	6	8	9	7	6	9
Grade III	5	16	9	6	17	5
	1955/56			1956/57		
	£	s.	d.	£	s.	d.
Cocoa						
Grade I	12	4	9	10	15	2
Grade II	11	16	8	10	6	2
Bennisseed	5	3	4	5	13	4
Soya Beans	4	1	4	3	13	11

The system of advance payments against licensed buying agents weekly declaration of graded cocoa purchases was continued. For other crops, no advance payments are made, full payment being made only on delivery to the Board. In the case of palm oil, provisional payments were made on deliveries to Bulk Oil Plants on the basis of the grades declared by licensed buying agents at time of delivery, and penalties were levied where the average f.f.a. content of a particular grade delivered over a specified period exceeded the maximum for that grade by more than the tolerance allowance granted for normal set up in f.f.a. between time of purchase and time of delivery; adjustments on account of excess f.f.a. being made at the end of each quarterly period.

22. Quality Grades Prescribed for Export

The following are the grades prescribed for export by the Nigeria Central Marketing Board, the authority having statutory powers to prescribe grades for export:

(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

A. 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 substance and is free from any adulterant.

B. 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 4.5 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—

(a) 5 per cent by count of mouldy, weevily, decayed, flat and/or germinated beans, and

(b) 5 per cent by count of unfermented and/or insufficiently fermented beans.

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

- (a) 5 per cent by count of mouldy beans, and
- (b) 10 per cent by count of mouldy, weevily, decayed, flat, and/or germinated beans, and
- (c) 10 per cent by count of unfermented and/or insufficiently fermented beans. Provided that any parcel of such cocoa of which a sample of 300 beans weighs less than 11 ozs. shall be designated "Light Cocoa", Grade I or Grade 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 sesamun 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.

23. Purchase Tax on Produce

In December 1954 the Legislature of the Eastern Region passed the Purchase Tax on Produce Law (No. 8 of 1954). Under the provisions of this Law the Board became responsible for the payment of a tax on all its purchases of scheduled produce. In the schedule to the Law the following rates of tax per ton on produce were prescribed:

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

When soya beans were added to the schedule of crops handled by the Board they were excluded from the terms of the Purchase Tax on Produce Law.

24. Appointment of Licensed Buying Agents

Prior to the opening of a crop season or marketing year in the case of oil palm produce, the Board reviews the performance of licensed buying

agents during the preceding season or year to determine their suitability for re-appointment, and also considers applications for first appointment following publication of Public Notices inviting applications for appointment. Copies of the Public Notices in respect of oil palm produce and cocoa are published as Appendices VIII and IX to this Report.

Fourteen applications for first appointment under the 1956 Oil Palm Produce Marketing Scheme were received and of these seven were successful. No applications were received for appointment under the 1956/57 Cocoa, Bennisseed and Soya Beans Marketing Schemes. With the exception of three licensed buying agents whose performances had been unsatisfactory under the 1955 Oil Palm Produce Marketing Year, all licensed buying agents operating in the previous season/year were re-appointed.

Lists of licensed buying agents appointed are shown in the Marketing Schemes attached to the Appendices to this Report.

V. REVIEW OF THE SEASON'S OPERATIONS

25. Principal Features of the Season's Operations

Purchases of palm kernels in the Eastern Region followed the general increase in production experienced in all the Regions of Nigeria. Purchases at 215,112 tons were nearly 8 per cent higher than in the previous year. In contrast, purchases for export of palm oil were 3.3 per cent down on last year's total, but the overall reduction in Nigerian purchases was 4.1 per cent. Cocoa is only a minor crop in the Eastern Region but with the considerable plantings which have taken place in recent years its importance as an export crop is likely to increase. Purchases of cocoa in 1955/56 increased by 164 tons or just under 17 per cent over the 1954/55 Season's total purchases. The trend in increased production was evident in the first four months of the 1956/57 Season when total purchases for that period exceeded by 500 tons total purchases for the corresponding period of the 1955/56 Season. The tonnage of Bennisseed marketed in the 1956/57 Season in the Region was 26 per cent below last season's figure. The decline in production is believed to have been due to unfavourable climatic conditions. Soya bean purchases in the 1955/56 Season showed little difference from the previous season's level of purchases. Purchases of the 1956/57 crop which commenced just prior to the end of the period covered by the report are likely, however, to be well above purchases made in any previous season.

26. Purchases: All Crops

Palm Kernels

Declared purchases in 1956 compared with purchases during the two previous years were as follows:

1954	1955	1956
(Tons)	(Tons)	(Tons)
222,721	197,557	214,396

Of the total tonnage of palm kernels purchased throughout the Federation of Nigeria in 1956, purchases in the Eastern Region accounted for 46 per cent of the total compared with 46.8 per cent in the previous year.

Palm Oil

Purchases of palm oil (excluding plantation palm oil) in the 1956 Season, as against those for 1954 and 1955 were:

	1955 (Tons)	1956 (Tons)
Special Grade Palm Oil ...	128,797	127,260
Technical Palm Oil ...	34,182	30,317
Total ...	162,979	157,577

The tables below compare purchases made in the Eastern Region in 1956 against total Nigerian purchases as well as showing similar figures for 1955.

	1955			1956		
	Nigerian Production	Eastern Production		Nigerian Production	Eastern Production	
Special Grade ...	129,668	128,797	99.32%	128,302	127,260	99.18%
<i>Technical Grade:</i>						
Grade I ...	43,577	33,475	76.81%	38,881	30,149	77.51%
Grade II ...	5,671	674	11.88%	4,438	168	3.78%
Grade III ...	6,590	33	.50%	5,355	—	—
Total Technical ...	55,838	34,182	61.21%	48,674	30,317	62.29%

Cocoa

The cocoa season runs from September to September with the heaviest purchases normally being made during the period November-March. Although the period covered by this Report includes part of the 1955/56 and 1956/57 Cocoa Seasons, it is considered appropriate that total purchases for a complete season should be given rather than part season's purchases. Accordingly, below are shown total purchases made in the 1955/56 Season as compared with the previous season:

	1954/55 (Tons)	1955/56 (Tons)
Main Crop ...	981	1,152
Light Crop ...	4	37
Total ...	985	1,189

Benniseed

All the benniseed produced in the Eastern Region is grown in the Bansara district. The 1956/57 Benniseed Season opened in June 1956 and by the end of the year purchases were completed. The following table of figures shows purchases made in the 1956/57 Season as compared with purchases made in 1955/56 Season:

1955/56 (Tons)	1956/57 (Tons)
544	401

Soya Beans

The 1956/57 Soya Beans Season did not open until December 1956 and only purchases for the 1955/56 Season are therefore given below in comparison with the previous season:

1954/55 (Tons)	1955/56 (Tons)
347	365

27. Quality: All Produce

Palm Kernels

Quality was on the whole good throughout the year and few quality claims by overseas buyers were made on 1956 shipments.

Palm Oil

By far the greatest proportion of palm oil purchased in the Eastern Region is of edible quality. Although Special Grade Oil "B" was eliminated in 1956 and quality requirements were in consequence more stringent than in 1955 there was no decline in the tonnage of Special Grade Oil purchased as might have been expected. On the contrary, the proportion of Special Grade Oil purchases to total palm oil purchases was higher. The following table illustrates the continued improvement in the quality of palm oil:

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

For the first time since the Marketing Boards were established, no Grade III oil was offered for purchase in the Eastern Region.

Cocoa

The quality of cocoa purchased during the 1955/56 season as established at time of grading was higher than in the preceding season as is shown by the following table which gives the percentage of each grade to total tonnage purchased:

<i>Main and Light Crop</i>	1954/55 %	1955/56 %
Grade I	85.8	99.0
Grade II	13.6	1.0
Sub-Grade	0.6	—
	<u>100.00</u>	<u>100.00</u>

Benniseed

With the aim of improving the quality of Nigerian benniseed, a standard of exportable quality was prescribed for the first time to be effective as from the opening of the 1956/57 Season. Quality out-turn reports received on the 1956/57 crop shipments were more satisfactory than in preceding seasons.

Soya Beans

The quality of Soya Beans marketed in 1955/56 Season was generally satisfactory.

28. Evacuation and Storage of Produce

Reference was made in the Board's First Annual Report to the additional port storage facilities which had come into use at Port Harcourt, and the wisdom of making such provision was clearly demonstrated in a year when over 15,000 tons of palm kernels had to be handled in excess of the tonnage handled in 1955. A very large proportion of the total tonnage was shipped through Port Harcourt and at no time during the year was there any interruption of the flow from up-country to port; the Board did not have to subsidise evacuation by extraordinary routes.

In the Eastern Region modern and efficient bulk oil plant installations process the palm oil delivered to the Plants by the Board's licensed buying agents. These Bulk Oil Plants are located at Port Harcourt, Calabar, Abonnema and Opobo.

The largest of the four bulk oil plants is at Port Harcourt which is served by good rail and road communication connecting up-country buying stations. During the early months of the marketing year—January to March—no particular evacuation problem arose, but during the peak purchasing period of April and June, there occurred the customary build up of purchases in excess of the bulking capacity of this plant and it was necessary to introduce as is usual during this period, a system of bulking allocations to ensure that the amount of oil called forward was within the plant's capacity and that each licensed buying agent is given a share of the tonnage called forward commensurate with their total purchases from the beginning of the season. Thereafter, and until the end of the season, more than ample bulking facilities were available.

At Calabar and Abonnema almost all purchases of oil are brought to the Bulk Oil Plants by water-borne transport. Evacuation to the Calabar Bulk Oil Plant is mainly by the Cross River, whilst the Abonnema Bulk Oil Plant bulks oil purchased in the surrounding area and from Oguta where evacuation is by the Orashi River. In the early months of the season, that is from January almost to the end of May, the levels of the Orashi river are very low and a journey of five to six weeks is not unusual to bring a raft of drums to the Abonnema Bulk Oil Plant. From this it will be appreciated that evacuation delays, and the incidence of water leaking into drums, is conducive to the setting up of high free fatty acid in the oil.

With the timely phasing of ocean going vessels to clear bulked stocks of palm oil from the Bulk Oil Plants, no major difficulties were encountered during the period under review in the evacuation and bulking of palm oil purchases.

The cocoa producing area of the Eastern Region is in the Ikom, Bansara district of the upper Cross river. Evacuation takes place to Calabar in the high water season, usually June to July, and it is necessary to store cocoa for a long period after purchase before evacuation by river is possible. With the development of road communications to Calabar, it is hoped that eventually it will be possible to evacuate all purchases more speedily by road, thus avoiding the present risks of deterioration in quality as a result of long storage.

No difficulty was experienced in evacuating the 1956/57 Bennisced crop to port. In the case of Soya Beans, however, it was necessary to arrange evacuation by an alternative route to that normally used due to poor river conditions. The evacuation route used was by road to Makurdi and thence to Port Harcourt by rail. This route was not entirely satisfactory and it is proposed that in future seasons the crop will be evacuated by road to Onitsha and thence by river craft to Warri.

29. West African Stored Products Research Unit

The Board bears 25 per cent of the total costs of the West African Stored Products Research Unit, the rest of the costs being met in equal proportions by the Western Region and Northern Regional Marketing Boards and the Government of the Federation.

A W.A.S.P.R.U. chemist assumed duty in Port Harcourt in February 1956, and has been working in laboratory space made available by the Produce Inspection Services, Eastern Region and the Tropical Establishment at Port Harcourt. Plans exist for W.A.S.P.R.U. to have its own laboratory at Port Harcourt and construction is expected to start early in 1957.

A great deal of advice and assistance has been rendered to the Produce Inspection Services, Eastern Region with favourable results in connection with the testing and detection of adulteration of palm oil.

Field Research carried out during the year included a survey of the causes of deterioration of palm oil from time of extraction from the fruit to time of shipment. The data so collected will be subjected to more precise laboratory tests. The results of these field trials have shown that f.f.a. set up in the field is generally far less than had been thought to be the case.

VI. SELLING ORGANISATION AND ARRANGEMENTS

30. Nigeria Central Marketing Board

The Nigeria Central Marketing Board is the statutory body with the responsibility for the shipment and overseas sale of the produce which it takes over from the Regional Marketing Boards and sells as Nigerian

produce. During the period covered by this Report all produce marketed by the Board was delivered to the Nigeria Central Marketing Board at f.o.b. point, at which stage the Central Marketing Board takes over the produce. In the case of palm oil, however, take-over point is on delivery to Bulk Oil Plants.

31. Operational Relationship between the Eastern Regional Marketing Board and the Nigeria Central Marketing Board

Under Section 20(4) of its Law, the Board is empowered to enter into any arrangements with the Nigeria Central Marketing Board for or in connection with any of its functions. A formal agreement has been concluded between the Board and the Nigeria Central Marketing Board, whereby the latter takes over the Region's produce at time of shipment at a price based on the f.o.b. selling price obtained for the produce, less appropriate deductions to cover charges such as export duty, lighterage, and shipping charges incurred and paid for by the Nigeria Central Marketing Board as the exporter of produce, and the Eastern Regional Marketing Board's agreed share of the operational costs of the Nigeria Central Marketing Board's executive.

These arrangements are embodied in Produce Agreements entered into by the Eastern Region and the Nigeria Central Marketing Boards covering severally, the various kinds of produce under the Regional Marketing Board's control. The Agreements are of identical pattern and differ only in respect of points of operational detail according to the type of produce handled.

The operations of the Nigeria Central Marketing Board are reviewed in its Annual Report which is published.

The Eastern Regional Marketing Board's representation on the Central Marketing Board during the period reviewed in this Report remained unchanged. These representatives who were L. P. Ojukwu Esq., O.B.E., M.H.R., and J. C. Anyansi Esq., are appointed by the Federal Minister of Trade and Industry on the recommendation of the Governor-in-Council of the Eastern Region.

32. Nigerian Produce Marketing Company Limited

The overseas selling organisation of the Nigeria Central Marketing Board is the Nigerian Produce Marketing Company Limited. This company is responsible for the day-to-day management of selling arrangements following policies which have been drawn up by the Nigeria Central Marketing Board. All members of the Central Board are members of the Board of the Nigerian Produce Marketing Company Limited.

VII. FINANCIAL ALLOCATIONS FOR DEVELOPMENT AND RESEARCH

33. Allocations During 1956 Under Existing Commitments

As described in its First Annual Report, the Board undertook heavy financial commitments for research and development in its first year of

operations. Some of these commitments were taken over from the former Commodity Marketing Boards and others were initiated during 1955. In accordance with these arrangements the Board's contributions to development and research during the year under review in this Report may be summarised as follows:

34. Co-operative Marketing of Oil Palm Produce

In accordance with a commitment taken over from the Nigeria Oil Palm Produce Marketing Board, the Board has undertaken to pay a total of £61,132 representing the balance of the capital cost and recurrent expenditure of a programme of investigation into this subject during the period up to 1962. A further £7,276 was paid on this account during 1956, leaving £50,160 specifically reserved for payments in the remaining years of the programme.

35. Development Grant to Eastern Regional Development Corporation

The Nigeria Oil Palm Produce Marketing Board which operated on a Nigeria wide scale, had guaranteed a minimum annual development allocation of £800,000 to the various Regional Development Agencies for each of the six years 1950/55. The Board, on the demise of the Oil Palm Produce Marketing Board, accepted its appropriate share of the commitment in respect of allocations due to the Eastern Regional Development Corporation for the final year 1955. The amount involved was £400,000. £250,000 was paid in 1955, the balance of £150,000 being paid in 1956. The Marketing Boards since their establishment have made grants to the Eastern Regional Production Development Board and its successor body—the Eastern Regional Development Corporation—totalling £6,294,691.

36. West African Stored Products Research Unit

Like the other Regional Boards, the Board pays 25 per cent of the cost of the Unit and its contribution during 1956 was £10,609.

37. Investment in Federal Government Loan Programme

The Board is also committed to invest approximately £2,100,000 in the Federal Government's Loan Programme, as its appropriate share of another commitment taken over from the former Commodity Marketing Boards.

38. Grant towards Establishment and Maintenance of Proposed University of Nigeria

As stated in the First Annual Report, the Board has agreed to grant £5,000,000 over nine years towards the cost of the proposed University. Although an initial payment of £1,000,000 was to have been made in 1956 no contribution has yet been called for and the money is still held in reserve.

39. Policy of the Board

In its first year of operations, the Board undertook financial commitments for various research and development purposes amounting to almost

three and a half million pounds in outright grants during 1955 and 1956 plus £2,100,000 as a long term loan. It was clearly understood that these totals must represent the Board's total contributions to research and development for a considerable period and that, in particular, the grant of £2 million to the Eastern Region Finance Corporation in April 1955 must preclude any further allocations for general economic development in the near future.

It is essential that allocations for research and development purposes should not dig too deeply into the Board's liquid reserves. Some £4 million are required for working capital so that the balance available for price stabilisation purposes must be carefully maintained; otherwise the Board would be unable to fulfil its primary responsibility for stabilising producer prices by drawing freely on its reserves in times of need.

For this reason the Board decided not to enter any new commitments for research or development during 1956 but to confine its allocations under existing arrangements.

VIII. THE BOARD'S ACCOUNTS AND FINANCIAL POSITION

The Board's accounts at Appendix X consist of the following:

1. Balance Sheet as at 31st December 1956.
2. General Reserve Account.
3. Profit and Loss Account.
4. Trading Accounts:
 - (a) Palm Kernels
 - (b) Palm Oil
 - (c) Cocoa
 - (d) Soya Beans
 - (e) Bennisseed.
5. Summary of Produce Sales.

40. Balance Sheet

British Government securities shown at cost £8,204,666 form the major item of assets and their market value at 31st December 1956 was £6,975,750. An Investment Reserve of £500,000 has been created to cover the possibility of any loss upon realisation. The investments are repayable in full at the dates of maturity.

The loan to the Federal Government of Nigeria had not been fully paid at 31st December 1956 pending the execution of the necessary documents and the funds required to complete payment were placed on Inter-Board loan at the current London deposit rate of interest.

Provision has been made for the grant of £1,000,000 to the proposed University of Nigeria and a reserve created in respect of the 1957 commitments of £500,000.

41. General Reserve Account

After adding the net surplus from the Profit and Loss Account, and allowing for provisions and specific reserves, resulting in a net deficit of £86,961 upon the whole of the Board's operations, the balance at 31st December 1956 is £8,322,006.

42. Profit and Loss Account

Interest received from British Government Securities, Loans and Deposits, amounted to £338,648. After deduction of Administration Expenses totalling £86,011, Purchase Tax totalling £1,087,477 and Sundry charges, a surplus of £1,913,039 was carried to Appropriation Account.

43. Appropriation Account

Under provisions for price equalisation, adjustments upon 1955 stocks and the retrospective awards for salaries and wages are charged in this account, together with the provision and reserve for the proposed grant to the University of Nigeria. The reserve for Stock Losses also covers an accumulation of short-weight and re-bagging losses.

44. Trading Account

The trading surplus realised in the year, as shown in each detailed Produce account, is as follows:

				£
Palm Kernels	...	...	...	576,733
Palm Oil	...	...	...	2,324,398
Benniseed	...	...	...	4,561
Soya Beans	...	...	...	33

A trading loss of £36,029 resulted from the year's Cocoa trading operations.

45. General

The Board's trading operations for the year under review have shown a satisfactory improvement upon the previous year's results and an increase in both tonnages sold and in trading surplus has been shown. The balance of the loan to the Federal Government of Nigeria has been paid since the Board's year end.

IX. CONCLUSIONS

46. General Review

The Board's First Annual Report described in detail the fundamental changes in the Nigerian Marketing Board system which had come about as a result of the decisions of the Nigeria Constitutional Conference held in

August 1953 and January 1954 and which had led to the establishment on the 1st October 1954 of the Eastern Regional Marketing Board. The year under review saw the consolidation of the many changes introduced in the Marketing Board system in the period reviewed in the First Annual Report and the establishment at Port Harcourt—the Region's principal port—of the Board's Regional Executive Offices. Although from an organisational point of view the year reviewed was uneventful, the economic importance of the policy decisions taken by the Board and the effects of these decisions on the living standards of the people, particularly in the fixation of producer prices, was of the highest importance to the Region as can be assessed by the considerable size of the Board's trading turnover which, in 1956, was over £23,600,000.

Due to the rising international tension prevailing in the second half of 1956, selling values of oils and oilseeds rose in consequence and the Board was not called upon to draw on its reserves to support producer prices. In contrast to these favourable selling conditions for oil and oilseeds was the further decline in the selling value of cocoa. On a tonnage of 1,290 tons of cocoa marketed and sold during 1956, the Board sustained a trading loss of £41,189. The high selling prices obtained prior to the 1954/55 seasons had been reflected in the prices charged to the consumer of the manufactured products of cocoa and had led to consumer resistance and reduced demand for cocoa beans. In addition to this cause, was the greater use of substitutes by manufacturers in an attempt to reduce prices to the consumers. Although cocoa is only a relatively minor crop in the Eastern Region, the price stabilisation funds held in reserve by the Board are only commensurate with the tonnage marketed in previous years. With production rising each season as new plantings come into bearing, the ability of the Board to be able to support cocoa producer prices to any extent is lessened, making it imperative for the Board to bring producer prices in line with overseas market values using the stabilisation reserves only for levelling out the fluctuations in selling prices occurring during a season.

Production for export of the Region's principal export crops—palm oil and palm kernels—in 1956 was satisfactory, particularly in the case of palm kernels which was up 8 per cent on last year's production. Cocoa purchases were also significantly higher.

The Board, in pursuance of its statutory responsibilities for promoting the economic development of the producing areas and for furthering scientific research into the crops it handles, has again made substantial payments for these purposes during 1956 amounting to £167,885 in addition to the grant to the proposed University of Nigeria referred to in paragraph 38.

47. Acknowledgments

In conclusion, the Board wishes to place on record its appreciation and thanks to all those whose advice, co-operation, assistance and work contributed to the year's achievements. In particular it wishes to thank the members of its Representative Committees, its licensed buying agents, the

Produce Inspection Service of the Eastern Region and its Executive—the Federal Department of Marketing and Exports—the latter for the efficient manner in which that Department has carried out its operations. Acknowledgments are also due to the Nigeria Central Marketing Board and its overseas selling organisation, the Nigerian Produce Marketing Company Limited.

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

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

APPENDIX I

E.R.L.N. No. 285 of 1955

PUBLIC NOTICE

The Eastern Regional Marketing Board Law, 1954 (E.R. No. 5 of 1954)

THE EASTERN REGIONAL MARKETING BOARD REGULATIONS, 1955

(Date of Commencement: 29th December 1955)

(E.R. No. 5
of 1954)

In exercise of the powers conferred upon the Minister by section 47 of the Eastern Regional Marketing Board Law, 1954, the following regulations are hereby made :—

Citation
and date of
commence-
ment

1. These regulations may be cited as the Eastern Regional Marketing Board Regulations, 1955, and shall come into force on the 29th day of December 1955.

Definitions

2. In these regulations :—

“*Gazette*” means the *Eastern Region of Nigeria Gazette* ;
“gazetted buying station” means any place designated, in accordance with regulation 5, by the Minister, by notice in the *Gazette* as a place for the purchase of produce.

“gazetted minimum buying price” means the price fixed by the Eastern Regional Marketing Board as the minimum to be paid at a buying station for produce and referred to, in accordance with regulation 5, by the Minister, by notice in the *Gazette*;

“licensed buying agent” means a person licensed in accordance with regulation 3.

Licence

3. (1) Application for a licence as a buying agent shall be made in writing to the Board.

(Schedule)

(2) A licence as a buying agent shall be in the form prescribed in the Schedule to these Regulations and shall be for the purchase, on behalf of the Board, of the produce named in the licence and shall be subject to the conditions contained therein.

(3) A licence shall be valid from the date of issuance thereof for one crop season or marketing year whichever is applicable.

Buying
Agents to
keep records

4. Every licensed buying agent shall cause to be kept books containing full particulars of:

(a) all purchases of produce which he is licensed, under regulation 3, to purchase on behalf of the Board;

- (b) stocks of all produce held by him on behalf of the Board; and
- (c) all transactions made by him in connection with any other dealings in produce which he is authorised to purchase by the Board.

5. (1) Whenever, in accordance with paragraph (a) of section 19 of the Law, the Board has fixed minimum buying prices to be paid to producers of produce intended for export, the Minister may, at the request of the Board, cause to be published in the *Gazette*, a notice referring to the minimum buying prices so fixed and designating buying stations determined by the Board for the purchase of produce.

Gazetted
Minimum
Buying
Prices and
Gazetted
Buying
Stations

(2) At the request of the Board, the Minister may, from time to time, amend any notice published in accordance with paragraph (1), by causing to be published in the *Gazette* another notice:

- (a) adding, to the original notice, the names of other buying stations; or
- (b) deleting from the original notice, any name of a buying station; or
- (c) altering in the original notice, any minimum price.

6. (1) Whether or not any purchase or offer to purchase shall be made with a view to export, or resale for export, no person who is a licensed buying agent, or the agent or servant of a licensed buying agent, shall, at a gazetted buying station, buy, offer or agree to buy or be any way party to the purchase of produce at a price less than the gazetted minimum buying price at the time in force.

Gazetted
Minimum
Buying
Prices to
be paid at
Gazetted
Buying
Stations

(2) No person shall sell or offer to sell or agree to sell any produce at a price which is less than the gazetted minimum buying price.

(3) Any person who contravenes this regulation shall be guilty of an offence and shall be liable, upon summary conviction, to a maximum fine of one hundred pounds or imprisonment for twelve months.

7. (1) Any person, who, at a gazetted buying station buys, or offers to buy any produce, shall cause to be posted, daily, at the place of purchase the price he is offering for the produce.

Prices to
be Posted
at Buying
Stations

(2) The price so posted shall be so written as to be clearly visible and legible at a distance of ten yards.

(3) The price so posted shall be not less than the gazetted minimum buying price for that buying station.

(4) Any person who contravenes or fails to comply with this regulation shall be guilty of an offence and shall be liable upon summary conviction to a fine of one hundred pounds or imprisonment for twelve months.

Appointment
of Inspectors

8. The Board, may, for the purpose of these regulations, appoint, in writing, persons to be Inspectors.

Duties of
Inspectors

9. It shall be the duty of Inspectors, appointed in accordance with regulation 8, to supervise the activities of licensed buying agents and, without prejudice to the generality of the foregoing, to inspect:

- (a) the books kept in accordance with regulation 4 by licensed buying agents;
- (b) the places where produce is stored by licensed buying agents and any such produce stored therein;
- (c) any produce in transit; and
- (d) produce at any time before delivery to a ship for export from Nigeria.

Presumption
as to produce

10. In any proceedings under these regulations against any person for any offence in respect of produce, the produce shall, unless the contrary be proved, be presumed to be intended for export.

MADE by the Minister of Trade at Enugu this 22nd day of December 1955.

I. U. IMEH,
Minister of Trade.

SCHEDULE

(Regulation 3 (2))

(Form of Buying Agents' Licence)

EASTERN REGIONAL MARKETING BOARD—LICENCE:

Licence Number.....

In exercise of the powers conferred by section 19(d) of the Eastern Regional Marketing Board Law, 1954.....is/are hereby licensed, as from the date hereof and until further notice, as a buying agent for the Board and authorised to purchase on its behalf.....
.....offered for export.

This licence may be revoked or suspended at any time and is not transferable and is valid only for the.....area of the Eastern Region.

The attention of the licensee is drawn to the Regulations made under section 47 of the Marketing Board Law, 1954 (No. 5 of 1954) and to the Board's current Marketing Schemes for the produce stated in this Licence and to the conditions laid down in the Board's current Marketing Schemes and Circular Instructions issued in respect of the produce for which this Licence has been issued, copies of which can be obtained on application to the Regional Offices of the Board's executive, Port Harcourt, Eastern Region or to the Department of Marketing and Exports, Lagos, Headquarters of the Board's executive.

This Licence is the property of the Eastern Regional Marketing Board and is returnable on demand.

Dated thisday ofon behalf of the Eastern Regional Marketing Board.

.....*Chairman*

.....*Secretary*

APPENDIX II

MEMORANDUM No. E.R./56/P.K.

EASTERN REGIONAL MARKETING BOARD 1956 PALM KERNELS MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" palm kernels for export in the Eastern Region during the period of this Scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of marketing of palm kernels in the Eastern Region. Stocks of 1955 palm kernels held by licensed buying agents will be dealt with in accordance with the instructions issued under the 1955 Palm Kernels Marketing Scheme. Palm kernels purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. **Duration of Scheme.** The period covered by the 1956 Palm Kernels Marketing Scheme will be from 30th December 1955 until a closing date in 1956 to be announced later.

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

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

Department of Marketing and Exports,
Constanza House,

72 Campbell Street, Lagos.

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

The Eastern Regional Office of the Board's executive is yet to be opened in Port Harcourt. In the meantime, and until further notice, all correspondence should be addressed to the Headquarters Office, Lagos.

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

(a) Transport Differentials and Subsidies (*see paragraph 10*)

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

and all other matters relating to crop purchase and evacuation.

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

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

and all other matters relating to export and shipment.

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

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

- African Produce Dealers Ltd.
- Compagnie Francaise de l'Afrique Occidentale
- Co-operative Wholesale Society Ltd.
- Eastern Farmers Trading Co. Ltd.
- Eastern Produce and Transport Co. Ltd.
- Eastern Region Development Corporation (Pioneer Oil Mills)
- D. J. Edoho
- Fraser & Shepherd
- W. E. Griffiths & Co. Ltd.
- John Holt & Co. (Liverpool) Ltd.
- J. O. Ihekwoaba
- Item Merchants Association Ltd.
- A. G. Leventis & Co. Ltd.
- Mandilas & Karaberis Ltd.
- L. O. Okoro & Co. Ltd.
- G. B. Ollivant Ltd.
- Paterson Zochonis & Co. Ltd.
- Societe Commerciale de l'Ouest Africain
- P. N. Uddoh Trading Co. Ltd.
- The United Africa Co. Ltd.

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

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

- (a) To purchase at gazetted buying stations at not less than the minimum prices with reasonable regularity throughout the duration of the scheme at least the minimum tonnages of palm kernels for export as stated in the conditions of appointment of licensed buying agents published by the Eastern Regional Marketing Board for the 1956 Marketing Year.
- (b) To arrange for inspection in accordance with Produce Inspection Regulations and to bag to the standard weight as required by paragraph 14.
- (c) To finance purchases and provide suitable storage until time of shipment.
- (d) To make returns of purchases and stocks as the Board or its duly appointed executive may require.
- (e) To arrange for conveyance to port by approved evacuation routes without delay.
- (f) To comply with regulations and instructions regarding checkweigh and inspection at port.
- (g) To arrange for delivery on board ocean-going vessel or into port transit sheds or Board Stores in accordance with such instructions as may be issued from time to time by the Department of Marketing and Exports.
- (h) To hand immediately on completion shipping documents as required duly completed to the Department of Marketing and Exports.

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

9. Buying Price. The basic price is £30 per ton naked ex-scale port of shipment. The minimum prices payable at gazetted buying stations up-country are based on the naked ex-scale port of shipment price less the appropriate cost of transportation by the approved normal route. The minimum prices payable at gazetted buying stations in the Eastern Region will be published in the *Eastern Region of Nigeria Gazette* as soon as possible.

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

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

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

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

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

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

- (a) On purchases made at stations evacuating to Port Harcourt: 3.5 lb. per net standard pack of 182.5 lb.
- (b) On purchases made at stations evacuating to Warri, Burutu, Calabar and Abonnema: 4.25 lb. per net standard pack of 182.5 lb.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

Lagos, 22nd December 1955

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

APPENDIX III

MEMORANDUM NO. E.R./56/S.P.O.

EASTERN REGIONAL MARKETING BOARD

1956 SPECIAL GRADE PALM OIL MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase Special Grade palm oil in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs, which supersede all previous instructions on the marketing of Special Grade palm oil in the Region. Stocks of 1955 Special Grade palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1955 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 1956 Special Grade Palm Oil Marketing Scheme will be from 30th December 1955 until a closing date in 1956 to be announced later.

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 to 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 Eastern Regional office of the Board's executive is yet to be opened in Port Harcourt. In the meantime and until further notice all correspondence should be addressed to the Headquarters Office, Lagos.

4. **Policy.** The Eastern Regional Marketing Board will purchase through its licensed buying agents all Special Grade palm oil for export in accordance with the terms of this Memorandum. Purchases will be made by the Board

on the basis of the minimum naked ex-scale bulk oil plant price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the time of delivery to bulk oil plant.

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

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

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

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

- (a) To purchase at gazetted buying stations at not less than the minimum gazetted prices; and with reasonable regularity throughout the duration of the scheme.
- (b) To arrange for inspection in accordance with the Produce Inspection Regulations and to provide necessary containers and storage.

- (c) To make such returns of purchases and stocks as the Board or its duly authorised executive may require.
- (d) To arrange for approved conveyance to the bulk oil installation concerned.

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

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

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

8. Special Grade Palm Oil. Special Grade palm oil is defined as palm oil not exceeding $3\frac{1}{2}$ per cent f.f.a. at time of purchase and containing less than 2 per centum by weight of water and extraneous substance and is free from any adulterant. There is to be no other grade of Special Grade palm oil during the 1956 marketing year. The full definition of Special Grade palm oil is published in Eastern Regional Notice No. 833 in the *Eastern Region of Nigeria Gazette* No. 57 of 1st December 1955.

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

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

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

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

13. Responsibility for Losses. Licensed buying agents will normally be required to bear any losses from theft or damage incurred between time of purchase and time of delivery to bulk oil plant. The buying allowance covers the cost of insurance against such risks (see paragraph 16) incurred between time of purchase and time of delivery to bulk oil plant. Any loss of containers

by theft or other causes, from bulk oil plants will be the sole responsibility of licensed buying agents. Claims for such losses will not be entertained by the Board.

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

15. Ascertainment of weights and quality. Licensed buying agents are responsible for informing the Eastern Regional Produce Inspection Service Staff whenever a quantity of Special Grade oil is ready for inspection. The Regional Produce Inspection Staff will do the quality test and the licensed buying agent will be responsible for testing the oil for f.f.a. content. If the oil passes the quality test it will be sealed in the normal manner. Licensed buying agents should then apply to a "nominated" checktester appointed by name by the Director of the Regional Produce Inspection Service. That "nominated" checktester will checktest the oil at the station of origin for f.f.a. content. Licensed buying agents will be responsible for the quality of oil up to time of delivery to bulk oil plant. On delivery into bulk oil plant the oil will be weighed and a sealed sample will be taken conjointly by the licensed buying agent and the bulk oil plant. Samples will be tested for f.f.a. and impurities. In the event of dispute the sealed sample will be tested by an independent party. Claims for retest must be made within fourteen days of the original test and such retest will be final. The nett weight obtained from the weighing carried out at the bulk oil plant will form the basis for provisional payment.

16. Buying Allowance. A block buying allowance will be paid to licensed buying agents to cover profit and expenses involved in performing the functions mentioned in paragraph 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 the time of purchase up-country to the moment when the oil is decanted from containers at the bulk oil plant, with the exception of those risks generally specified by the insurance companies as excluded under the terms of their policies.

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

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

Details of the 1956 buying allowances will be issued in a separate Circular Instruction.

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

Records will be kept of the f.f.a. content at time of bulking at each bulk oil plant as ascertained by the procedure described in paragraph 15 above. On the basis of these records the weighted average f.f.a. content of a licensed buying agent's deliveries during each three monthly period of the marketing year will be separately determined in respect of each bulk oil plant. In cases where the weighted average f.f.a. content at an individual bulk oil plant exceeds the upper limit prescribed for Special Grade oil in paragraph 8 of this Memorandum by more than one per cent (the agreed allowance for set up between time of purchase and time of delivery to bulk oil plant) a penalty graduated according to the extent of the excess will be imposed on the licensed buying agent concerned in respect of his total deliveries of Special Grade oil to the bulk oil plant in question during the appropriate three monthly delivery period. Where exceptional circumstances entirely beyond the control of the licensed buying agent are responsible for an abnormal set up in the f.f.a. content of a particular parcel of Special Grade oil e.g. excessive delay in evacuation, a licensed buying agent may make representations to the Director of Marketing and Exports, Lagos (until the Regional Office of the Department has been opened in Port Harcourt) 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 three monthly delivery period concerned.

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

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

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

Lagos, 22nd December 1955

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

APPENDIX IV

MEMORANDUM NO. E.R./56/T.P.O.

EASTERN REGIONAL MARKETING BOARD

1956 TECHNICAL PALM OIL MARKETING SCHEME

1. The Eastern Regional Marketing Board, established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase "First Quality" palm oil for export in the Eastern Region during the period of this scheme in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the subject of palm oil marketing in the Region. Stocks of 1955 palm oil held by licensed buying agents will be dealt with in accordance with instructions issued under the 1955 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 1956 Technical Palm Oil Marketing Scheme will be from 30th December 1955 until a closing date in 1956 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 may perform after palm oil has been delivered to the bulk oil plants.

The address 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 Eastern Regional Office of the Board's executive is yet to be opened in Port Harcourt. In the meantime and until further notice all correspondence should be addressed to the Headquarters Office, Lagos.

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

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

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

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

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

- (a) To purchase palm oil at gazetted buying station at not less than the minimum prices and with reasonable regularity throughout the duration of the scheme.
- (b) To arrange for inspection in accordance with Produce Inspection Regulations and to provide the necessary containers and storage.
- (c) To test and grade oil on purchase.

- (d) To make such returns of purchases and stocks as the Board or its executive may require.
- (e) To arrange for conveyance to bulk oil plant installations by approved routes and to agree weights and quality on delivery with the Board's bulking agents.

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

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

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

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

These grades are as follows:

Percentage of Free Fatty Acid

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

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

	£
Grade I	38
Grade II	28
Grade III	20

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

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

13. Evacuation. Licensed buying agents must arrange to evacuate palm oil to bulk oil plants without delay and in the order that it has been purchased. This is in their own interests as any undue delay is likely to

increase the set-up of free fatty acid and ultimately involve payment of the penalty imposed under the payment arrangements of the Board (see paragraph 18).

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

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

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

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

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

The expenses consist mainly of:

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

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

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

Details of the 1956 buying allowances will be issued in a separate Circular Instruction.

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

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

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

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

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

Lagos, 22nd December 1955.

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

APPENDIX V

MEMORANDUM No. E.R./5657/C.

EASTERN REGIONAL MARKETING BOARD

COCOA MARKETING SCHEME: 1956/57

1. The Eastern Regional Marketing Board, established under the Eastern Regional Marketing Board Law (No. 5 of 1954), will purchase the 1956/57 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 1955/56 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 1955/56 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 7th September 1956 and will continue until a date in 1957 to be announced later.

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

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

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

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

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

The cable and telegraphic address is "EASTMARK". The telephone number will be notified later.

The Eastern Regional Office of the Board's executive is yet to be opened in Port Harcourt. In the meantime and until further notice all correspondence should be addressed to the Headquarters Office, Lagos.

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

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

and all other matters relating to crop purchases and evacuation.

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

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

and all other matters relating to export and shipment.

5. Policy. The Eastern Regional Marketing Board will purchase cocoa for export through its licensed buying agents in accordance with the terms of this memorandum. Purchases will be made by the Board on the basis of a fixed naked ex-scale port of shipment buying price and the Board will utilise the services of its licensed buying agents from the time of purchase up to the moment when the cocoa is placed on board ocean-going vessel in accordance with separate instructions. Licensed buying agents will be required to purchase with reasonable regularity throughout the season at least the minimum tonnages of cocoa for export stated in the conditions of appointment of licensed buying agents published by the Eastern Regional Marketing Board for the 1956/57 season.

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

- Eastern Nigeria Co-operative Exporters, Ltd.
- G. B. Ollivant, Ltd.
- The United Africa Co. Ltd.

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 check-weighing and inspection at ports.

- (g) To arrange for delivery to ocean 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 1956/57 season are as defined in Eastion Regional Notice No. 246 (*Eastern Region of Nigeria Gazette* No. 16 of 7th April 1955) as amended by Government Notice No. 1618 (*Federation of Nigeria Official Gazette* No. 53 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 1956/57 season will be based on the following naked ex-scale port of shipment prices per net ton:

	<i>Standard Cocoa</i>			<i>Light Cocoa</i>		
	<i>(Main Crop)</i>			<i>(Light Crop)</i>		
	£			£		
Grade I	150	...	...	150
Grade II	135	...	...	135

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 stations prices will be based on the above naked ex-scale port of shipment prices less the cost of transport by the approved normal means of evacuation.

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

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

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

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

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

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

It is essential that cocoa should be evacuated to port as soon as possible unless otherwise instructed and any deterioration resulting from delay in

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

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

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

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

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

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

18. Checkweighing. All parcels of cocoa will be subject to 100 per cent checkweighing in accordance with the procedure stated in a separate Circular Instruction to be issued by the Department of Marketing and Exports as the executive of the Nigeria Central Marketing Board. If checkweighing discloses that the weight of any one bag is less than 141 lb. gross (i.e. the standard pack of $142\frac{1}{2}$ lb. gross less $1\frac{1}{2}$ lb. franchise for loss in weight) the bag concerned will be returned to the licensed buying agent for standardisation.

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

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

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

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

22. Buying Allowances. The amount of the buying allowance fixed for the 1956/57 season will be announced shortly in a separate Circular Instruction.

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

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

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

Lagos, 1st September 1956.

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

APPENDIX VI

MEMORANDUM No. E.R./5657/B.

EASTERN REGIONAL MARKETING BOARD

1956/57 BENNISEED MARKETING SCHEME

1. The Eastern Regional Marketing Board established by the Eastern Regional Marketing Board Law (No. 5 of 1954) will purchase the 1956/57 crop of Benniseed for export in the Eastern Region in accordance with the arrangements set out in the following paragraphs which supersede all previous instructions on the marketing of Benniseed in the Region. The Eastern Regional Marketing Board will be responsible for all marketing arrangements within the Region including evacuation to port of shipment. Benniseed purchased by the Eastern Regional Marketing Board will be sold to the Nigeria Central Marketing Board for export.

2. The period to be covered by the 1956/57 Marketing Scheme will extend from 1st June 1956 to a date in 1957 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 Department of Marketing and Exports for the service which it will perform at the ports of shipment. The address of the headquarters of the Department is:

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

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

Until such time as the Eastern Regional Office of the Board's executive is established at Port Harcourt all correspondence must be addressed to the Department of Marketing and Exports, Lagos.

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

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

and all other matters relating to crop purchases and evacuation.

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

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

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

6. Licensed Buying Agents. The Board's licensed buying agent for the 1956/57 season is the undermentioned firm. The Board reserves the right to appoint additional buying agents during the period covered by the Scheme:

John Holt & Co. (Liverpool) Ltd.

7. Functions of Licensed Buying Agents.

- (a) To purchase at gazetted buying stations at not less than the minimum prices.
- (b) To bag to the standard weight as required by paragraph 12, and to provide suitable storage until time of shipment.
- (c) To finance purchases and to make such returns of purchases and stocks as the Board or its duly 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 Board Stores at Port Harcourt.
- (g) To hand, without delay, shipping documents as required duly completed to the Department of Marketing and Exports.

8. Quality. Benniseed of "exportable quality" is defined as benniseed which contains no more than two per centum by weight of stones, laterite, mineral and other entraneous matter.

9. Buying Price. The flat minimum naked ex-scale buying price for benniseed at all approved buying stations will be £36 per ton.

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

11. Purchase and Stock Returns. Licensed buying agents are required to render to the Director of Marketing and Exports 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 detailed returns showing purchases at each gazetted buying station.

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

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

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

15. Buying Allowances and Payment. The amount of the buying allowance fixed for the 1956/57 season, and the method of payment, will be announced in a separate Circular Instruction.

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

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

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

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board.

Lagos, 18th May 1956.

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

APPENDIX VII.

MEMORANDUM NO. E.R./5657/S.B.

EASTERN REGIONAL MARKETING BOARD

1956/57 SOYA BEANS MARKETING SCHEME

1. The Eastern Regional Marketing Board will purchase the 1956/57 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 1956/57 Marketing Scheme will extend from 7th December 1956 to a date in 1957 to be announced later.

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

The address of the headquarters of the Department is:

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

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

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

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

The cable and telegraphic address is "EASTMARK". The telephone number will be notified later.

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

- (a) Transport Differentials.
- (b) Purchase and Stock Returns.

(c) Standard Pack, Bag and Bag Markings.

(d) Payment

and all other matters relating to crop purchases and evacuation.

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

(a) Checkweighing.

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

5. Policy. The Eastern Regional Marketing Board will purchase for export, through its licensed buying agents all soya beans of exportable quality offered for sale at gazetted buying stations in the Eastern Region. 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 soya beans are delivered on board ocean-going vessel, to the Port Transit sheds or Board Stores, Port Harcourt according to the authorised point of take-over.

6. Licensed Buying Agents. The Board's licensed buying agent for the 1956/57 season is the undermentioned firm. The Board reserves the right to appoint additional buying agents during the period covered by the Scheme:

John Holt & Co. (Liverpool) Ltd.

7. Functions of Licensed Buying Agents.

(a) To purchase at buying stations at not less than the minimum price.

(b) To bag to the standard weight as required by paragraph 13, and provide suitable storage until time of shipment.

(c) To finance purchases and make such returns of purchases and stocks as the Board or its duly appointed executive may require.

(d) To arrange for conveyance to port by approved routes without delay.

(e) To comply with regulations and instructions regarding weighing at time of shipment.

(f) To arrange for delivery on board ocean-going vessel in accordance with shipping instructions issued by the Department of Marketing and Exports, or if instructed, to rail stocks to the Port Transit sheds or Board Stores at Port Harcourt.

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

8. Quality. 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 and not more than 1.5 per centum by weight of total impurities. Soya beans must be entirely free from castor seed.

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

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

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

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

13. Standard Pack. All soya beans will be packed *in new bags of at least "B" twill quality* to a standard pack of 185 lb. gross. Tare will be 2½ lb. per bag.

14. Loss and Damage Insurance. Licensed buying agents will be responsible for insurance against all risks up to delivery on board ocean-going vessels, delivery into Port Transit Sheds or Board 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.

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

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

17. Buying Allowance and Payment. The amount of the buying allowance fixed for the 1956/57 season, and the method of payment, will be announced in a separate Circular Instruction.

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

L. P. OJUKWU

Chairman, Eastern Regional Marketing Board

Lagos, 6th December 1956.

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

APPENDIX VIII.

EASTERN REGIONAL MARKETING BOARD APPOINTMENT OF LICENSED BUYING AGENTS UNDER 1956 PALM KERNEL AND PALM OIL MARKETING SCHEMES

1. It is notified for general information that the Board is prepared to consider applications for appointment as licensed buying agents under the 1956 Palm Kernel and Palm Oil Marketing Schemes.

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

3. Minimum Conditions.

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

					(Tons)
Palm Kernels	...	...	...	...	600
Palm Oil	...	...	...	...	175

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

					(Tons)
Palm Kernels	...	...	...	...	875
Palm Oil	...	...	...	...	275

(b) *Containers.* Applicants must show that they possess containers to cover their purchases. The minimum requirements are:

Palm Kernels: 25 bales each of 300 new bags.

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

- (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 capital requirements are as follows:

Palm Kernels	...	...	...	...	£4,000
Palm Oil	...	...	...	...	£3,000

- (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 Railway Transit Shed, 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 Secretariat, Enugu, the Department of Marketing and Exports, Lagos, the Residents of Provinces and from the Eastern Regional Produce Inspection Staff.

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,

Constanza House,

72 Campbell Street, Lagos.

not later than the 1st August 1955. It is emphasised that applications received after the closing date will not be considered. Firms and persons already appointed as licensed buying agents under the Board's current Marketing Schemes are not required to re-apply.

APPENDIX IX.

EASTERN REGIONAL MARKETING BOARD APPOINTMENT OF LICENSED BUYING AGENTS FOR THE 1956/57 COCOA SEASON.

1. It is notified for general information that the Board is prepared to consider applications for appointment as licensed buying agents for the 1956/57 season which will open in September or early October 1956 (the exact date will be notified later by publication in the *Eastern Region of Nigeria Gazette*).

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

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

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

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

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

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

(c) *Capital.* Applicants will be required to produce suitable banker's reference or guarantee acceptable to the Board as evidence of their ability to provide the minimum capital requirements necessary to fulfil the obligations of a licensed buying agent. The minimum capital requirements based on the 1955/56 season price is £3,600. This minimum capital requirement may, however, be adjusted in proportion to any increase or decrease in the producer price of cocoa announced by the Board before the opening of the 1956/57 cocoa season and any such alteration will be taken into account in assessing an applicant's ability to finance purchases.

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

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

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

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

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

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

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

5. Method of Application. Application forms and details as to their completion can be obtained from the Department of Marketing and Exports, Constanza House, 72 Campbell Street, Lagos; the Ministry of Trade, Enugu; the Residents of Provinces and from the Eastern Regional Produce Inspection Service.

Firms and persons wishing to apply must submit application forms duly and correctly completed in duplicate and addressed to the Director of Marketing and Exports, Constanza House, 72 Campbell Street, Lagos, not later than the 30th June 1956.

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

8th February 1956

APPENDIX X

Accounts

**EASTERN REGIONAL
BALANCE SHEET**

1955		£	£	£
8,408,967	GENERAL RESERVE			8,322,006
	SPECIFIC RESERVES :			
	Proposed Eastern Region University Grant, 1957 Contribution		500,000	
	Development grant to Eastern Region Development Corporation	400,000		
150,000	<i>Less</i> Payments	400,000		
	Eastern Region Co-operative Marketing Scheme ...	61,132		
57,436	<i>Less</i> Payments to date	10,972		
70,000	Reserve for price equalisation—palm produce		50,160	
	Contingent liability in respect of 15s. uncalled on each of 80,000 shares in the Nigerian Produce Marketing Company Limited			60,000
<u>60,000</u>				
<u>337,436</u>				610,160
	CURRENT LIABILITIES AND PROVISIONS :			
1,005,202	Creditors and accrued liabilities		2,367,852	
<u>373,300</u>	Loan account—Northern Regional Marketing Board ...		—	
<u>1,378,502</u>				<u>2,367,852</u>

NOTES

1. Under the terms of paragraph 45(i) of the Report by the Resumed Conference on the Nigerian Constitution held in January and February 1954, there is a commitment to lend to the Federal Government a sum estimated at £2,109,300 of which £373,300 had been lent at 31st December 1956.
2. The Board will share in the final distribution of assets upon the liquidation of the Nigerian Oil Palm Produce Marketing Board, the Nigerian Cocoa Marketing Board and the Nigeria Groundnut Marketing Board, but the amount of such distributions applicable to the Eastern Regional Marketing Board has not yet been ascertained.

£10,124,905

£11,300,018

REPORT OF

We have examined the above balance sheet and annexed profit and loss account which are in the balance sheet the quoted investments are not of the value of £8,204,666 at which they are entered. for our audit, and in our opinion these accounts, amplified by the notes applicable thereto and the information 1956, and of the profit for the year ended on that date.

LAGOS,

20th July, 1957.

MARKETING BOARD

31st DECEMBER 1956

1955		Cost	<i>Accumulated Depreciation</i>	
£		£	£	£
	FIXED ASSETS:			
9,303	Leasehold land and buildings	36,088	1,840	34,248
340	Motor vehicles	1,467	420	1,047
1,126	Machinery and equipment	960	20	940
692	Furniture, fixtures and fittings	5,652	124	5,528
<u>11,461</u>		<u>44,167</u>	<u>2,404</u>	<u>41,763</u>
	TRADE INVESTMENT :			
20,000	Nigerian Produce Marketing Company Limited (80,000 ordinary shares of £1 each, 5s. paid)			20,000
	LOANS :			
1,748,234	Central Marketing Board		2,400,000	
373,300	Federal Government of Nigeria		373,300	
<u>2,121,534</u>				<u>2,773,300</u>
	CURRENT ASSETS :			
108,675	Stocks of palm kernels, at cost		155,389	
300,930	Debtors and payments in advance		261,244	
(668,364)	Current account—Central Marketing Board		122,016	
	British Government securities, at cost (Market value £6,888,327)	8,204,666		
	<i>Less Reserve for loss on realisation</i>	500,000		
8,204,666			7,704,666	
26,003	Bank balances		221,640	
<u>7,971,910</u>				<u>8,464,955</u>
				<u>£10,124,905</u>
				<u>£11,300,018</u>

(Sgd.) L. P. OJUKWU, *Chairman*

(Sgd.) H. P. ELDER, *Director of Marketing and Exports*

(Sgd.) H. H. WESTALL, *Assistant Director (Finance)*

THE AUDITORS

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

COOPER BROTHERS & CO.

Chartered Accountants.

EASTERN REGIONAL MARKETING BOARD

GENERAL RESERVE ACCOUNT 31st DECEMBER 1956

	Total	Oil Palm Produce £	Cocoa £	Minor Oilseed Crops £
BALANCE at 1st January 1956 ...	£ 8,408,967	8,094,868	314,099	—
Add: Profit for the year transferred from profit and loss appropriation account ...	913,039	967,831	(58,372)	3,580
	<u>9,322,006</u>	<u>9,062,699</u>	<u>255,727</u>	<u>3,580</u>
<i>Deduct:</i> Transfers to specific reserves:				
Proposed Eastern Region University Grant—1957 contribution ...	£500,000	486,362	13,435	203
Reserve for loss on realisation of British Government securities ...	500,000	481,324	18,676	—
	<u>1,000,000</u>	<u>967,686</u>	<u>32,111</u>	<u>203</u>
	<u>£8,322,006</u>	<u>£8,095,013</u>	<u>£223,616</u>	<u>£3,377</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1956

	Total	Oil Palm Produce £	Cocoa £	Minor Oilseed Crops £
15 months to 31st December 1955	£	1,913,039	(31,502)	3,986
(£69,901) Profit for the year transferred from profit and loss account ...	1,913,039	1,940,555	(31,502)	3,986
<i>Deduct:</i> Grant towards the establishment of the proposed Eastern Region University, 1956 contribution ...	1,000,000	972,724	26,870	406
	<u>£913,039</u>	<u>£967,831</u>	<u>(£58,372)</u>	<u>£3,580</u>

Note: Figures in parenthesis are deductions.

EASTERN REGIONAL MARKETING BOARD
SUMMARY OF COCOA AND MINOR OILSEED PRODUCE SALES
FOR THE YEAR ENDED 31st DECEMBER 1956

		Cocoa		Benniseed		Soya Beans	
	Tons	£	Tons	£	Tons	£	£
NIGERIA CENTRAL MARKETING BOARD:							
Sales at F.O.B. Prices:							
1955/56 Crop	1,040		222,779	291	18,298	365	13,158
1956/57 Crop	250		49,326	401	25,230	—	—
	<u>1,290</u>		<u>272,105</u>	<u>692</u>	<u>43,528</u>	<u>365</u>	<u>13,158</u>
<i>Deduct:</i> Export duty	...	44,402		4,354			
Lighterage and wharfage	...	472		615			
Harbour dues	...	326	45,200	111	5,080	120	120
			<u>226,905</u>		<u>38,448</u>		<u>13,038</u>
<i>Deduct:</i> Quality allowances	...	619		150			
Excess loss in weight	...	30	649	—	150		
Sales proceeds	<u>1,290</u>		<u>£226,256</u>	<u>692</u>	<u>£38,298</u>	<u>365</u>	<u>£13,038</u>

EASTERN REGIONAL
PROFIT AND LOSS ACCOUNT FOR

15 months
to
31st Dec.
1955

£		£
	Trading surplus transferred from trading accounts :	
629,894	Palm kernels	
280,691	Palm Oil	
73,210	Cocoa	
61	Minor oilseed crops	
<u>983,856</u>		
	Interest receivable :	
348,754	British Government securities	251,448
41,790	Loan account—Nigeria Central Marketing Board	52,476
—	Loan account—Federal Government of Nigeria	3,391
—	Bank deposits	<u>31,333</u>
<u>390,544</u>		
—	Sundry revenue	
<u>£1,374,400</u>		
	Administrative expenses :	
43,954	Executive organisation	39,673
—	Wages and salaries	19,097
44,808	Agency charges—central services	3,305
7,939	Subsistence and travelling (Board and Executive members)	19,232
20,146	Bank charges	882
2,285	Insurance	3,822
3,592	Printing, stationery and general expenses	1,817
—	Legal charges—Tribunal of Enquiry	
<u>122,724</u>		
10,857	West African Stored Products Research Unit—Board's share of expenses	
5,167	Marketing publicity	
1,200	Audit fee	
1,044	Depreciation	
178,667	Loss on sales of investments	
70,000	Reserve for price equalisation	
	Adjustments in respect of previous years :	
—	Revised buying allowances for 1955 purchases	90,316
—	Stock losses	614
—	Handling charges	5,204
—	Price equalisation 1955	<u>11,732</u>
1,054,642	Produce purchase tax	
(69,901)	Profit for the year transferred to Profit and Loss Appropriation Account	
<u>£1,374,400</u>		

NOTE.—Figures in parenthesis are deductions.

MARKETING BOARD

THE YEAR ENDED 31st DECEMBER 1956

<i>Total</i>	<i>Oil Palm Produce</i>	<i>Cocoa</i>	<i>Minor Oilseed Crops</i>
£	£	£	£
576,733	576,733	—	—
2,324,398	2,324,398	—	—
(36,029)	—	(36,029)	—
4,594	—	—	4,594
<u>2,869,696</u>	<u>2,901,131</u>	<u>(36,029)</u>	<u>4,594</u>
338,648			
1,781	327,713	12,716	—
<u>£3,210,125</u>	<u>£3,228,844</u>	<u>(£23,313)</u>	<u>£4,594</u>
87,828	86,638	970	220
10,609	10,492	117	—
—	—	—	—
1,110	1,095	12	3
2,196	2,166	24	6
—	—	—	—
—	—	—	—
	89,884	258	174
	614	—	—
	5,204	—	—
	11,684	48	—
107,866			
1,087,477	1,080,512	6,760	205
1,913,039	1,940,555	(31,502)	3,986
<u>£3,210,125</u>	<u>£3,228,844</u>	<u>(£23,313)</u>	<u>£4,594</u>

EASTERN REGIONAL

PALM KERNELS TRADING ACCOUNT

15 months
to
31st Dec.
1955

£		Tons	£
—	Stock in sheds at Port Harcourt 1st January 1956	3,122	108,675
7,062,688	Purchases	215,719	7,598,409
—	Provision for revised buying allowances		53,000
57,193	Produce inspection charges		57,727
—	Nigeria Central Marketing Board—operational charges ...		73,292
25,229	Transport subsidies and handling charges		15,002
629,894	Trading margin carried to profit and loss account		576,733
<u>£7,775,004</u>		<u>218,841</u>	<u>£8,482,838</u>

MARKETING BOARD

FOR THE YEAR ENDED 31st DECEMBER 1956

15 months to 31st Dec. 1955			<i>Tons</i>	<i>£</i>
<i>£</i>				
7,666,329	Sales (1954/1955, 199,866 tons) ... ..	...	214,135	8,316,822
108,675	Stock in sheds at Port Harcourt 31st December 1956 ... ..	...	4,375	155,389
—	Stock losses in respect of previous years ... ..	...	331	10,627
			218,841	£8,482,838
£7,775,004				

**EASTERN REGIONAL
PALM OIL TRADING ACCOUNT FOR**

<i>15 months to 31st Dec. 1955</i>		<i>Tons</i>	<i>Special Grade Oil £</i>	<i>Technical Palm Oil £</i>	<i>Plantation Palm Oil £</i>	<i>Total £</i>
<i>£</i>	Purchases :					
<i>7,950,346</i>	Special Grade Oil ...	<i>135,956</i>	<i>7,833,089</i>	<i>—</i>	<i>—</i>	<i>7,833,089</i>
<i>1,549,316</i>	Technical Oil ...	<i>30,507</i>	<i>—</i>	<i>1,381,741</i>	<i>—</i>	<i>1,381,741</i>
<i>207,528</i>	Plantation Oil ...	<i>3,104</i>	<i>—</i>	<i>—</i>	<i>185,616</i>	<i>185,616</i>
<i>9,707,190</i>		<i>169,567</i>	<i>7,833,089</i>	<i>1,381,741</i>	<i>185,616</i>	<i>9,400,446</i>
<i>—</i>	Provision for revised buying allow- ances		<i>47,900</i>	<i>11,000</i>	<i>1,100</i>	<i>60,000</i>
<i>47,923</i>	Produce inspection charges ...		<i>36,183</i>	<i>8,119</i>	<i>827</i>	<i>45,129</i>
<i>—</i>	Nigeria Central Marketing Board operational charges		<i>47,577</i>	<i>10,677</i>	<i>1,087</i>	<i>59,341</i>
<i>8,519</i>	Transport subsidies and handling charges		<i>5,861</i>	<i>1,943</i>	<i>9</i>	<i>7,813</i>
<i>280,691</i>	Trading margin carried to profit and loss account		<i>1,865,701</i>	<i>410,617</i>	<i>48,080</i>	<i>2,324,398</i>
<i>£10,044,323</i>			<i>£9,836,311</i>	<i>£1,824,097</i>	<i>£236,719</i>	<i>£11,897,127</i>

MARKETING BOARD

THE YEAR ENDED 31st DECEMBER 1956

<i>15 months to 31st Dec. 1955</i>			<i>Special Grade Oil</i>	<i>Technical Palm Oil</i>	<i>Plantation Palm Oil</i>	<i>Total</i>
<i>£</i>		<i>Tons</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Sales :						
<i>7,898,194</i>	Special Grade Oil ...	135,956	9,836,311	—	—	9,836,311
<i>1,932,818</i>	Technical Oil ...	30,507	—	1,824,097	—	1,824,097
<i>213,311</i>	Plantation Oil ...	3,104	—	—	236,719	236,719
<i>10,044,323</i>		<u>169,567</u>	<u>9,836,311</u>	<u>1,824,097</u>	<u>236,719</u>	<u>11,897,127</u>
<u><i>£10,044,323</i></u>			<u><u>£9,836,311</u></u>	<u><u>£1,824,097</u></u>	<u><u>£236,719</u></u>	<u><u>£11,897,127</u></u>

EASTERN REGIONAL
COCOA TRADING ACCOUNT FOR

15 months
to
31st Dec.
1955
£

		<i>Tons</i>	£
	Purchases: 1955/1956 Crop	1,040	204,755
	1956/1957 Crop	250	37,547
226,928		1,290	242,302
14,218	Buying allowances		15,675
—	Provision for revised buying allowances		400
528	Produce inspection charges		343
—	Nigeria Central Marketing Board operational charges		451
265	Local deterioration		3,079
—	Transport and handling charges		35
£241,939		1,290	£262,285

MARKETING BOARD

THE YEAR ENDED 31st DECEMBER 1956

5 months to 31st Dec. 1955			<i>Tons</i>	£
£				
315,149	Sales		1,290	226,256
(73,210)	Trading loss carried to profit and loss account			36,029

£241,939

1,290

£262,285

NOTE.—Figures in parenthesis are deductions.

EASTERN REGIONAL
MINOR OILSEED PRODUCE TRADING ACCOUNT

15 months
to
31st Dec.
1955

£		<i>Tons</i>	<i>Benniseed</i>	<i>Soya Beans</i>	<i>Total</i>
			£	£	£
	Purchases :				
9,090	Benniseed 	692	25,143	—	25,143
6,940	Soya Beans 	365	—	7,299	7,299
		<hr/>	<hr/>	<hr/>	<hr/>
16,030		1,057	25,143	7,299	32,442
		<hr/>			
3,270	Buying allowances		4,748	2,261	7,009
—	Provision for revised buying allowances		120	65	185
174	Produce inspection charges		—	—	—
4,232	Carriage to port		3,484	3,252	6,736
—	Nigeria Central Marketing Board operational charges		242	128	370
61	Trading margin carried to profit and loss account		4,561	33	4,594
			<hr/>	<hr/>	<hr/>
<u>£23,767</u>			£38,298	£13,038	£51,336

MARKETING BOARD

FOR THE YEAR ENDED 31st DECEMBER 1956

15 months to 31st Dec. 1955					<i>Benniseed</i>		<i>Soya Beans</i>	<i>Total</i>
					<i>Tons</i>	£	£	£
£	Sales :							
10,926	Benniseed	...	...	...	692	38,298	—	38,298
12,841	Soya Beans	...	...	...	365	—	13,038	13,038
<u>23,767</u>					<u>1,057</u>	<u>38,298</u>	<u>13,038</u>	<u>51,336</u>
<u>£23,767</u>						<u>£38,298</u>	<u>£13,038</u>	<u>£51,336</u>

**EASTERN REGIONAL
SUMMARY OF OIL PALM PRODUCE**

31st

NIGERIA CENTRAL MARKETING BOARD :								<i>Palm Kernals</i>		
								<i>Tons</i>	£	£
	Sales at F.O.B. Prices	...	...	...	...	...	...	209,442	9,472,352	
	<i>Deduct</i> Export Duty	...	...	...	...	...	...	954,703		
	Lighterage and wharfage	...	...	...	...	...	...	64,900		
	Harbour Dues	...	...	...	...	...	...	46,409		
	Shallow/deep surcharge	...	...	...	...	...	...	28,778		
	Handling charges	...	...	...	...	...	...	53,282		
	Bulking charges	...	...	...	...	...	...	—
	Freight (inter bulk oil plant charges)	...	...	...	...	...	...	—
								<hr/>		1,148,072
								209,442		8,324,280
	<i>Add</i> Coast weight allowances	...	...	...	...	...	...	4,693		
	Quality premium	...	...	...	...	...	...	—
								<hr/>		
								214,135		8,324,280
	<i>Deduct</i> Quality discounts	...	...	...	...	...	...	—	7,454	
	Outturn excess loss in weight	...	...	...	...	...	...	—	4	
								<hr/>		7,458
								<hr/>		<hr/>
	SALES PROCEEDS	...	...	...	...	...	...	214,135		8,316,822
								<hr/>		<hr/>

MARKETING BOARD

SALES FOR THE YEAR ENDED

DECEMBER 1956

<i>Special Grade Oil</i>			<i>Technical Palm Oil</i>			<i>Plantation Palm Oil</i>		
<i>Tons</i>	<i>£</i>	<i>£</i>	<i>Tons</i>	<i>£</i>	<i>£</i>	<i>Tons</i>	<i>£</i>	<i>£</i>
135,956	11,420,587		30,507	2,120,005		3,104	271,263	
	1,258,041			214,697			29,227	
	231			—			113	
	38,895			5,342			588	
	2,661			4,105			331	
	4,314			160			1	
	264,953			59,489			5,179	
	15,181			12,302			—	
	<u>1,584,276</u>			<u>296,095</u>			<u>35,439</u>	
<u>135,956</u>	<u>9,836,311</u>		<u>30,507</u>	<u>1,823,910</u>		<u>3,104</u>	<u>235,824</u>	
—	—		—	—		—	—	
—	—		—	187		—	895	
<u>135,956</u>	<u>9,836,311</u>		<u>30,507</u>	<u>1,824,097</u>		<u>3,104</u>	<u>236,719</u>	
—	—		—	—		—	—	
—	—		—	—		—	—	
<u><u>135,956</u></u>	<u><u>£9,836,311</u></u>		<u><u>30,507</u></u>	<u><u>£1,824,097</u></u>		<u><u>3,104</u></u>	<u><u>£236,719</u></u>	

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