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REPORT

OF THE

Guyana Marketing Corporation

FOR THE PERIOD

1st January 1966

TO

31st December, 1966

REPORT
OF THE
GUYANA MARKETING CORPORATION
FOR THE PERIOD
1ST JANUARY TO 31ST DECEMBER 1966

The Guyana Marketing Corporation was established on January 1, 1964, under the provisions of the Public Corporations Ordinance (No. 23 of 1962).

2. The general policy of the Corporation remained unchanged, namely, encouraging local agricultural production by offering producers an assured market and paying economic prices; by maintaining as far as possible fair price levels and organising the distribution of available supplies to consumers throughout the coastal areas.

3. The following services were operated by the Corporation:—

- (a) Central Produce Depot (Georgetown) and the Produce Depot (New Amsterdam Branch).
- (b) Fish Marketing Centre.
- (c) Processing Factory.
- (d) Ham and Bacon Factory.
- (e) Milk Pasteurisation Plant.
- (f) Edible Oil Distribution.

4. The following were members of the Board :

- Mr. W. G. Stoll — Chairman
- Mr. H. Madramootoo — Deputy Chairman
- Mr. B. A. Fernandes
- Mr. M. S. H. Rahaman
- Mr. J. Benn
- Mr. R. E. Davis
- Mrs. Jane Phillips-Gay

5. In order to stimulate agricultural production to satisfy the domestic market and to foster its policy of import substitution by locally grown or produced commodities, the Government guarantees minimum prices for certain farm produce and offers incentive bonuses to farmers cultivating specified crops, most of which are normally imported extensively from abroad.

PRODUCE DEPOTS

6. The Corporation, through its Produce Depots, is obligated to purchase at minimum guaranteed prices or at higher prices, depending on the state of the market, all marketable produce offered by farmers.

7. Purchasing centres were maintained at Charity (Pomeroon), Parika (West Demerara) and New Amsterdam. Farmers in the Berbice River area were served by a purchasing clerk who travelled on the weekly steamer for this purpose. Purchasing in the North West District was normally done by the North West District Farmers Marketing Co-operative Society acting as agents of the Corporation. Failure of the Co-operative to function during the period under review created much hardship on the farmers who then either had to ship their produce directly to the Corporation in Georgetown or sell on spot to hucksters, more often than not at sacrificial prices. During the latter half of the year, through the good offices and ready co-operation of the District Agriculture Officer, direct purchasing was better organised and farmers suffered little or no inconvenience in disposing of their produce satisfactorily to the Corporation.

8. Hereunder is a comparative breakdown of purchases of provisions and fruit in 1965 and 1966 :—

	1965		1966	
Plantains	6,393,844	lbs.	3,281,993	lbs.
Eddoes	50,360	"	54,665	"
Sweet Potatoes	65,780	"	18,007	"
Tannias	11,441	"	394	"
Yams	140,436	"	96,000	"
Cassava	4,605	"	481	"
Pumpkin	40,047	"	108,217	"
Black-Eye Peas	32,039	"	50,009	"
Coffee Beans	183,563	"	427,870	"
Whole Corn	2,052,955	"	1,261,685	"
Bananas	10,102	"	16,924	"
Oranges	2,650,047	only	500,685	only
Grapefruit	330,674	"	28,909	"
Cabbage	50,700	lbs.	10,087	lbs.

9. **COFFEE BEANS:** It will be observed that there was an increase in purchase over 1965 to the extent of 244,307 lbs. valued at \$56,825.22. Two factors were responsible for this, namely: (a) resumption of sales on the export market, and (b) the need to meet the increasing demand for Instant Coffee processed from locally grown coffee beans.

10. **INSTANT COFFEE:** 225,200 lbs. of coffee beans were shipped to the U.S.A. to be into Instant Coffee. 36,694 lbs. of Instant Coffee were received during the year. This return, however, is not related to the quantity of raw beans shipped as there was a carry-over at the end of the period under review.

11. The total value of farmers' produce purchased during the year amounted to \$714,986.82 as against \$669,380.73 in 1965.

FISH MARKET CENTRE:

12. The Centre provides facilities for the orderly marketing of fish either by the fishermen themselves or by sale to the Wholesale Fish Market operated by the Corporation.

13. The Wholesale Fish Market handled 510,029 lbs. valued at \$231,813.00 as against 390,882 lbs. valued at \$146,264.81 in 1965.

14. The increase in volume of fish purchased is attributable to a successful arrangement made with a local fishing company for regular supplies of trawler-caught fish, principally of the cheaper varieties.

15. Cold Storage accommodation continued to pose a problem for the satisfactory holding of fish over extended periods. Fortunately demand exceeded the available supply, and no difficulty was experienced in disposing of all fish at fair price levels.

16. Operation of the Refrigeration Plant on a single high-speed compressor and without a standby against emergencies not only constituted a grave risk of possible heavy loss of stock in the event of a breakdown, but also precluded full use being made of all the available storage rooms.

PROCESSING FACTORY:

17. The principal functions of the Processing Factory were (a) the mechanical drying of corn purchased in bulk during the crop period and storing it in silos. (b) manufacturing Corn Meal and Plantain Flour. With respect to Corn Meal, the importation of which is banned, it may not be generally known that the factory manufactures the entire requirements of the country.

18. Comparative figures of production of Corn Meal and Plantain Flour for 1965 and 1966 are hereunder set out:—

Item	1965		1966	
	Quantity	Value	Quantity	Value
Corn Meal	224,305 lbs.	\$ 25,896.33	278,223 lbs.	\$ 44,179.75
Plantain Flour	162,432 "	\$ 56,851.20	6,459 "	\$ 1,829.92

19. The factory handled 1,261,685 lbs. of whole corn valued at \$81,354.13 as against 2,052,955 lbs. valued at \$126,386.61 in 1965.

20. Corn Meal manufacture absorbed 411,371 lbs. of corn. Sale of the remainder was made to Guyana Stockfeeds Limited at a flat price of 7½c. per lb.

21. Farmers were paid 6 cents per lb. on the spot for all corn supplied to the Corporation. Freight, transportation, loss in transit, shrinkage and drying charges brought the processed cost to approximately 7.9 cents per lb.

HAM AND BACON FACTORY:

22. The Ham and Bacon Factory continued to operate for the benefit of the Pig Industry by providing an assured market for pigs of a quality suitable for processing.

23. 1,836 pigs yielding a total carcass weight of 198,710 lbs. value \$109,093.19, were purchased as against 1,789 pigs equating 175,981 lbs. carcass weight value \$93,496.58 purchased in 1965.

24. Comparative production with the previous year was as follows:—

	1965	1966
Ham	12,058 lbs.	14,137 lbs.
Bacon	46,011 "	56,279 "

25. Production of Ham and Bacon was severely limited by the inadequacy of refrigeration facilities for storing and processing pork, and also for the storage of finished products.

MILK PASTEURISATION PLANT:

26. The Plant purchased 456,997 gals. of milk valued at \$342,122.58, the average price per gal. landed on the dock being 74.863 cents. Cost of production was \$1,248.63 (say \$1.25) per gal. of pasteurised milk. Loss through leakage, spoilage and dumping amounted to 39,879 gals. = \$43,459.91 at an average cost of \$1.08.974 per gal.

27. Sales for the year 1966 amounted to 396,772 gals. valued at \$372,598.59; an average of 93,907 cents per gallon.

EDIBLE OIL

28. Sales amounted to \$2,807,001.45 which represents an increase of \$217,728.73 over the previous year. It was found necessary to import from the Caribbean area 600 drums of Crude Coconut Oil valued at \$74,568.96; this was refined by the local mills.

29. 438 tons of Copra had to be imported at approximately 17½ cents per pound. This was sold to the local mills at a subsidised price of 14½ cents per pound, thereby involving a direct subsidy of \$28,756.06.

30. In addition, 1451 drums of refined Soya Bean Oil valued at \$182,306.51 were imported from outside the Caribbean area.

31. Trading resulted in a Gross Profit of \$100,946.77 and a Nett Loss of \$47,936.73 after taking into account Operating Expenses (\$51,552.70), Copra Subsidy (\$28,757.06) and Administrative Expenses (\$68,573.74) totalling \$148,883.50.

SUBSIDIES

32. The original sum received from Government by way of Subsidy was \$600,000.00.

33. The Operating Loss before Depreciation is \$442,894.21 to which must be added Depreciation (\$49,091.95) and Interest on Debentures (\$77,147.55) totalling \$569,133.71, from which Profit on the Sale of a Motor Vehicle for \$100.00 is deducted, thus leaving \$509,033.71 as the overall Trading Loss.

34. The Subsidy of \$600,000.00 granted to the Corporation was therefore \$30,966.29 above the Trading Loss actually suffered.

GUYANA MARKETING CORPORATION
BALANCE SHEET AS AT 31ST DECEMBER, 1966

1965 \$	CAPITAL	1965 \$	FIXED ASSETS	Original Cost \$	Accumulated Depreciation \$	Net Book Value \$
1,102,108.00	Guyana Govt. A/c (to be issued by an issue of 7% Debentures)	1,102,108.00	440,594.52 Buildings	477,182.88	35,470.32	441,712.56
			194,227.45 Plant & Machinery	337,451.58	49,909.38	287,542.20
74,928.69	Capital Reserve	104,374.25	33,853.04 Furniture & Equipment	38,060.55	6,392.38	31,668.17
300,000.00	Advances by Govt. of Guyana	300,000.00	13,189.52 Motor Vehicles	37,865.60	17,208.22	20,657.38
117,394.32	Balances for 1965	117,394.32	64,476.91 Sundry Equipment	80,510.16	19,680.05	60,830.11
	Add: Surplus for 1966	30,966.29	9,518.44 Launches	9,639.61	1,085.13	8,554.48
		1,654,842.86		\$980,710.38	\$ 129,745.48	\$850,964.90
	CURRENT LIABILITIES		CURRENT ASSETS			
259,919.45	Sundry Creditors and other Credit Balances	306,881.76	755,826.33 Stocks & Stores (at the lower of cost or net realisable value)	\$	\$	\$
			Stock of drums on hand		525,902.47	
			From: Suppliers	164,305.00		
			To: Customers	126,890.00	37,415.00	
			36,550.00			
			Sundry Debtors and other debit balances	299,012.81		
			197,124.50 Less: Provision for Bad & doubtful debts	110,000.00	189,012.81	
			94,536.14 Cash at Bank		344,092.33	
			14,453.61 Cash in Hand		14,337.11	1,110,759.72
\$1,854,350.46		\$1,961,724.62	\$1,854,350.46		\$ 1,961,724.62	

Note (1) While the nominal value and the interest rate of the Debentures to be issued under Article (2) of the Guyana Marketing Corporation Order, 1963 have been agreed by the Minister of Finance and the Corporation, such agreement does not extend to the repayment dates of the Debentures.

Note (2) The above Debentures have not yet been issued, and though interest has not been paid thereon, it has been provided for in the accounts.

GUYANA MARKETING CORPORATION

FINAL ACCOUNTS

FOR 1966

AUDITOR'S REPORT

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have not been kept by the Corporation, and it was necessary to make special adjustments. We have examined the above Balance Sheet and annexed Profit and Loss Account which are in agreement with the adjustments made by us. In our opinion and to the best of our information and according to the explanations given to us the Balance Sheet gives a reasonable picture of the state of the Corporation's affairs as at 31st December, 1966 and the Profit and Loss Account shows a reasonable state of the Loss for the year ended 31st December, 1966.

**THOMAS, STOLL & CO.,
ACCOUNTANTS — AUDITORS.**

GUYANA MARKETING CORPORATION.

DEPARTMENTAL TRADING AND PROFIT AND LOSS A/C FOR

THE YEAR ENDED 31ST DECEMBER, 1966

	N/A Produce Depot	Georgetown Produce Depot	Milk Pasteurisation Plant	Fish Market & Centre	Processing Factory	Edible Oil	Ham & Bacon Factory	Total 1966	Comparative 1965
Sales	\$ 187,499.67	\$ 937,164.81	\$ 376,062.59	\$ 239,705.79	\$ 134,639.49	\$ 2,807,001.45	\$ 77,481.86	\$ 4,759,555.66	\$ 4,430,695.21
Deduct:									
Transferred from Processing A/c	24,368.05	144,160.28	514,870.10	3,137.05	65,138.13		94,717.13	674,725.36	858,234.97
Stocks at 1st January, 1966	162,140.65	881,597.28	9,667.30	181,763.02	33,163.45	392,099.12	2,067.95	608,663.20	256,091.04
Purchases	1,496.65	3,277.54				2,507,520.18		3,733,021.13	4,007,257.81
Loss-in-Transit	1,574.40							4,774.19	14,941.16
Freight Inwards								1,574.40	1,324.30
Carriage Inwards						6,147.64		6,147.64	3,817.59
Refining Inwards						7,228.50		7,228.50	15,965.56
Unabsorbed Factory Expenses					19,562.36			19,562.36	21,707.03
Cost of Raw Materials Sold					50,438.74		53,361.85	103,800.59	110,621.45
Transferred from Raw Materials									161,363.79
	\$ 189,579.75	\$ 1,029,035.10	\$ 524,537.40	\$ 184,900.07	\$ 168,302.68	\$ 2,912,995.44	\$ 150,146.93	\$ 5,159,497.87	\$ 5,451,324.97
Less:									
Stocks at 31st December, 1966	13,502.31	144,714.73	5,649.72	2,802.85	9,209.99	198,950.48	4,101.41	378,931.49	608,663.20
Transferred to Raw Materials	—	—	—	—	—	—	53,361.85	53,361.85	5,278.42
Transferred from Raw Materials	—	—	—	—	—	—	—	—	43,313.21
	\$ 13,502.31	144,714.73	5,649.72	2,802.85	9,209.99	198,950.48	57,463.26	432,293.34	657,254.83
Cost of Goods Sold	\$ 176,077.44	884,320.37	518,887.68	182,097.22	159,092.69	2,714,044.96	92,683.67	4,727,204.03	4,794,070.14
Gross Profit (Loss)	11,422.23	52,844.44	(142,825.09)	57,608.57	(24,453.20)	92,956.49	(15,201.81)	32,351.63	(363,374.93)
Add: Sundry Revenue	154.32	109.87	4,316.06	1,118.11	906.17	7,990.28		14,594.81	14,589.90
Gross Revenue	\$ 11,576.55	52,954.31	(138,509.03)	58,726.68	(23,547.03)	100,946.77	(15,201.81)	46,946.44	(348,785.03)
Deduct: Overheads									
Operating	28,693.62	118,832.13		35,051.84		80,309.76		262,887.35	302,530.83
Leakage and Samples Expenses									5,439.31
Administrative	5,180.99	24,995.06	43,206.89	6,457.14	3,901.00	68,573.74	2,512.17	154,826.99	146,385.83
Distribution			72,126.31					72,126.31	101,287.22
Total Overheads	\$ 33,874.61	143,827.19	115,333.20	41,508.98	3,901.00	148,883.50	2,512.17	489,840.65	555,643.19
Departmental Trading Profit/(Loss)	\$ (22,298.06)	(90,872.88)	(253,842.23)	17,217.70	(27,448.03)	(47,936.73)	(17,713.98)	(442,894.21)	904,428.22
Less: Direct Oil									(250,000.00)
	\$ (22,298.06)	\$ (90,872.88)	\$ (253,842.23)	\$ 17,217.70	\$ (27,448.03)	\$ (47,936.73)	\$ (17,713.98)	\$ (442,894.21)	\$ (654,428.22)

GUYANA MARKETING CORPORATION
GENERAL PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31ST DECEMBER, 1966

<u>1965</u>		<u>1966</u>
\$ 904,421.40	Operating Loss	\$442,894.21
	Before Charging —	
43,747.25	Depreciation	\$ 49,091.95
	Interest on Capital Indebtedness to	
<u>77,147.56</u>	Guyana Government Debentures @ 7%	<u>77,147.55</u>
<u>120,894.81</u>	Net Operating Loss	<u>126,239.50</u>
<u>\$1,025,316.21</u>		<u>\$569,133.71</u>
	<u>Less:—</u>	
	Subsidies received from Government	\$600,000.00
<u>1,255,000.00</u>	Profit on Sale of Vehicles	<u>100.00</u>
\$ 229,683.79	Surplus for the Year	\$ 30,966.29
	<u>Deduct/Add:—</u>	
<u>(112,289.47)</u>	Surplus/(Deficit) brought forward	<u>117,394.32</u>
<u>\$ 117,394.32</u>	Balance being accumulated Surplus, carried forward	<u>\$148,360.61</u>