

REPORT

OF THE

Guyana Marketing Corporation

FOR THE PERIOD

1st January, 1964

TO

31st December, 1964

REPORT
OF THE
GUYANA MARKETING CORPORATION
FOR THE PERIOD
1st JANUARY TO 31st DECEMBER
1964

The Guyana Marketing Corporation was established by Order No. 97/1963 on January 1, 1964, under the provisions of the Public Corporations Ordinance (No. 23 of 1962).

CONSTITUTION OF THE BOARD

2. At 1st January, 1964, the Board was constituted as follows:

Chairman:	Deputy Chairman,
Mr. Dwarka Nath	Mr. C. Yong Hing.

Members:
Miss Jessie Burnham
Mr. A. Kalamadeen
Mr. M.S.H. Rahaman
Mr. M. Correia
Mr. W. Glen.

POLICY OF THE CORPORATION

3. The general policy of the Corporation was established as having for its purpose the encouragement of local agricultural production by offering producers an assured market and paying economic prices; by maintaining as far as possible fair price levels to consumers and organising the orderly distribution of available produce to the best advantage in terms of consumer need.

SERVICES

4. 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

PRICE GUARANTEES AND INCENTIVE BONUSES

5. In order to stimulate agricultural production to satisfy the domestic market, Government maintained minimum guaranteed prices for certain farm produce. Cash bonuses were also paid on an acreage basis to farmers cultivating specified crops; most of which are extensively imported from abroad.

PRODUCE DEPOTS

6. The Corporation, through its Produce Depots, is obligated to purchase at the minimum guaranteed prices or at ruling market 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 done by the North West District Farmers Marketing Co-operative Society acting as agents of the Corporation.

8 Purchases of Agricultural Produce were as follows ;

COMMODITY	WEIGHT or UNITS
Plantains	1,473,122 lbs
Sweet Potatoes	120,086 „
Yams	163,524 „
Tannias	8,535 „
Eddoes	97,424 „
Cassava	3,664 „
Coffee Beans	93,176 „
Cocoa Beans	130 „
Whole Corn	1,165,677 „
Black-Eye Peas	59,694 „
Pumpkin	129,908 „
Oranges	1,983,968 „ only
Grapefruit	76,197 „

9. COFFEE BEANS. Despite the somewhat limited purchases of this commodity, considerable difficulty was experienced in finding an economic marketing outlet as the export market remained depressed.

As a means of overcoming this difficulty the corporation arranged for the processing in the U.S.A. of coffee beans into Instant Coffee. 46,600 lbs of beans valued at \$23,300.00 were sent for processing during the year.

10. INSTANT COFFEE. Return of Instant Coffee from beans shipped to the U.S.A. for processing amounted to 13,604 lbs.

TRADING AND PROFIT AND LOSS ACCOUNTS :

Georgetown Depot.

(a) The cost of goods sold amounted to \$665,306.90, which includes goods lost in transit to the value of \$479.41. Cost of sales is approximately 91½% of total sales value.

(b) Gross Profit of \$55,869.77 represents a gross profit mark up of approximately 8½% on selling prices. Sales amounting to \$721,176.67.

(c) Net Loss: The Depot shows a Net Loss of \$92,638.35, which is arrived at after deducting the direct overhead expenses amounting to \$84,135.49 (operating Expenses) and a proportion of the Corporation's general administrative expenses amounting to \$64,416.59.

NEW AMSTERDAM DEPOT

(a) Cost of Sales is approximately 92% of total sales value, or ½% more than that of the Georgetown Depot. However, the Cost of Sales figure of \$117,019.11 includes freight and other transportation charges amounting to \$2,328.06 and loss in transit to the extent of \$1,354.53 resulting from heavy rail and river transportation of produce.

(b) Gross Profit at \$7,301.40 is approximately 8% of total sales value, that is, the average mark-up on cost approximate to 8%, and is ½% lower than the Georgetown Depot. Had it not been for the excessive losses on goods in transit, the Gross Profit might well have approximated to about 9% of sales value.

(c) A Net Loss of \$13,171.54 is arrived at after taking into account direct overhead expenses amounting to \$12,462.04 and a proportion of the Corporation's general administrative expenses amounting to \$10,277.28.

HAM and BACON FACTORY

12. The Ham and Bacon Factory continued to operate for the benefit of the Pig Industry by providing an assured market for pigs which would otherwise constitute a financial loss to the farmer.

13. 1,811 pigs yielding 189,941 lbs value \$92,128.80 were purchased during the year at an average price of 48.5c. per lb.

14. Production of finished products was as follows :

Ham (all types)	19,625	lbs
Bacon (all types)	56,469	„
Pork Sausage (fresh)	1,808	„
Lard	8,408	„

15. TRADING AND PROFIT AND LOSS ACCOUNT :

(a) Cost of Sales: Cost of production amounted to \$113,410.61. From observation of the Stock valuation at 1st January 1964 (\$1,253.42) and 31st December 1964 (\$921.24) it seems that all that was produced was sold. Cost of Sales amounted to \$113,742.79 which is 90.2% of total sales value.

(b) Gross Profit on Sales amounting to \$126,114.96 was \$12,372.17 Gross Profit approximated to 9.8% on the cost of production.

(c) A net profit of \$5416.16 (or 5% on total sales value) resulted from the operation of the factory, after deducting a proportion of the Corporation's administrative expenses amounting to \$6,956.01

FISH MARKETING CENTRE :

16. 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.

17. The Wholesale Fish Market handled 303,965 lbs of fish valued at \$135,853.00

18. Cold Storage accomodation was both inadequate and inefficient. This condition was responsible for the loss by spoilage of some 20,000 lbs of fish over the year's trading.

19. TRADING AND PROFIT AND LOSS ACCOUNT :

(a) Cost of goods sold was \$138,393.18 or 92.4% of the value of Sales.

(b) Gross Profit from sales amounting to \$180,703.87 was \$42,310.69 or approximately 7.6%

(c) A net loss of \$14,410.90 resulted from operation of the Fish Market. This loss might have been greater but for Sundry Revenue amounting to \$21,641.64 obtained from storage charges, sale of ice etc. But apart from this, the Gross Profit was not sufficient to cover the general operating expenses amounting to \$68,660.91 and a proportion of the Corporation's Administrative Expenses amounting to \$9,702.32.

PROCESSING FACTORY

20. The main operations 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.

21. Production of Corn Meal and Plantain Flour was as hereunder set out :

Corn Meal	338,081 lbs	Value	\$35,863.77
Plantain Flour	64,433 ,,	Value	\$17,817.95

22. The Factory handled 1,165,677 lbs of whole corn at 6c. per lb. to the farmers at buying point. Cost of transportation, loss in transit and loss by shrinkage in the drying process added approximately 1.9c. to the original purchase price.

23. Corn Meal manufacture absorbed 511,764 lbs of the total supply of whole corn. Sale of the remainder was made mainly to B.G. Stockfeeds Limited at a flat price of 7c. per lb, that is, at a loss of about 3/4 cent per pound.

24. TRADING AND PROFIT AND LOSS ACCOUNT :

(a) Cost of Sales: Production cost for the year amounted to \$79,714.54, and of this the cost of processed goods actually sold was \$77,076.00. The total cost of sales amounted to \$108,166.21, which is higher than the sales value of these same goods. This was influenced by shrinkage amounting to \$6,522.41 and factory expenses amounting to \$18,174.50 which the products could not bear.

(b) As a result of the high cost of production, and consequently cost of sales, the sales value of goods sold was only \$90,605.91, thus resulting in a Gross Loss of \$17,560.30.

(c) A Net Loss of \$28,644.48 resulted after addition of a proportion of general administrative expenses amounting to \$11,125.31 to the Gross Loss.

25. MILK PASTEURISATION PLANT

The Plant purchased 726,326 gallons of milk valued at \$578,021.11, the average price per gallon landed on the dock being 71c. per gallon. Cost of production was \$1.18 per gallon of pasteurised milk. The average sale price per gallon of pasteurised milk was 88 cents.

26. TRADING AND PROFIT AND LOSS ACCOUNT :

(a) Cost of Sales: Because of the high cost of production (\$501,305.71), cost of sales at \$675,617.54 is almost double the sales value. This was due to a number of factors, among which were:

Milk dumped	196,051 gallons	\$207,366.87
Milk distributed free	982 „	1,038.68
„ Spoilt	2,642 „	2,774.49
		<u>\$211,180.04</u>

(b) Gross Profit: As a result of some of the factors stated at (a) above, a gross loss of \$299,546.10 resulted.

26. (c) Net Loss: When the additional cost of spillage and leakage, distribution expenses and a proportion of general administration expenses are taken into account, a net loss of \$392,211.76 is reflected.

EDIBLE OIL

27. The gross Loss of \$48,890.13 is accounted for by the fact that oil was purchased at \$2.53 per gallon and was sold at \$2.43 per gallon. This was in keeping with Government policy to subsidise and control the selling price at the lower level with a view to maintaining a stable price to consumers.

After deducting Sundry Revenue amounting to \$1,096.00 and adding Operating Expenses totalling \$46,570.63, there is a Net Trading Loss of \$94,364.76.

SUBSIDIES

The original amount received from Government by way of Subsidy was \$300,000. Subsequently, Supplementary Provision was sought and approved in the sum of \$331,600, thus making a total of \$631,610.00 provided.

No provision appears to have been made in the Subsidy for Depreciation (\$37,065.65) and Interest on Guyana Government Account (Debentures at 7% on Assets acquired) amounting to \$77,147.55 as the Valuation of Assets taken over by the Corporation was only agreed in June, 1966.

Operating Loss before Depreciation is \$630,025.64 to which must be added Depreciation amounting to \$37,065.65, making a total of \$667,091.29, from which Profit on Sale of a Motor Vehicle (\$339.37) is deducted, leaving \$666,751.92. The addition of Interest on Debentures in the sum of \$77,147.55 gives an overall Trading Loss of \$743,899.47. Deduction of subsidies received from Government in the sum of \$631,610.00 discloses a Net Loss of \$112,289.47 as per Balance Sheet.

APPENDICES

28. The following Statements are appended to the Report:
- (A) Audited Accounts as at 31st December 1964 with certificate by the Auditors Messrs. Pannell Fitzpatrick Graham and Crewdson.
 - (B) Schedule of Stocks, and Work-in-Progress.

GUYANA MARKETING CORPORATION

Appendix A1

BALANCE SHEET

AS AT

31ST DECEMBER, 1964.

<u>CAPITAL</u>		<u>FIXED ASSETS</u>	COST	DEPRECIATION	NET BOOK VALUE
Indebtedness to Government of Guyana (See Note)	\$1,102,108.00	Freehold Land and Buildings	\$429,500.00	\$ 11,470.00	418,030.00
<u>CAPITAL RESERVE</u>	38,704.69	Plant and Machinery	40,198.48	13,268.31	26,930.17
	\$1,140,812.69	Furniture and Equipment	17,755.04	1,413.00	16,342.04
<u>DEFICIT</u> (Statement attached)	112,289.47	Sundry Equipment	13,209.75	6,063.31	7,146.44
	\$1,028,523.22	Motor Vehicles	<u>14,700.30</u>	<u>4,691.66</u>	<u>10,008.64</u>
<u>CURRENT LIABILITIES</u>			\$515,363.27	\$ 36,906.28	478,456.99
Government of Guyana — Interest on Indebtedness	\$ 77,147.55	<u>CURRENT ASSETS</u>			
Sundry Creditors & Credit Balances	151,799.68	Stock at the lower of Cost and Net Realisable Value (including supplies not for resale)		\$407,390.32	
	228,947.23	Drum Deposits:—			
		With Suppliers	\$144,900.00		
		<u>Less:</u>			
		By Customers	<u>123,340.00</u>	21,560.00	
		Sundry Debtors and Debit Balances	\$287,680.41		
		<u>Less:—</u>			
		Provision for Bad and Doubtful Debts.	<u>110,000.00</u>	177,680.41	
		Cash at Bank and on Hand.		<u>172,382.73</u>	
	<u>\$1,257,470.45</u>				<u>779,013.46</u>
					<u>\$1,257,470.45</u>

NOTE:

To be satisfied by an issue of Debentures in accordance with Article II (2) of Guyana Marketing Corporation Order 1963. The rate of interest to be paid has been agreed at 7% but the repayment date has still to be determined.

Interest on the indebtedness at 7% has been charged in the General Profit and Loss Account in the sum of \$77,147.55.

DEPARTMENTAL TRADING & PROFIT & LOSS ACCOUNTS

GUYANA MARKETING CORPORATION
FOR THE YEAR ENDED

Appendix A2

31ST DECEMBER, 1964

	Produce — Georgetown	Produce — New Amsterdam	Ham & Bacon Factory	Fish Market & Centre	Processing Factory	Milk Pasteurisation Plant	Edible Oil
Finished Products:							
Transferred from Processing A.C.			\$113,110.61		\$ 79,714.54	\$ 501,313.71	
Stocks — 1.1.64.	\$ 7,305.74	\$ 2,558.97	1,251.42	\$ 4,879.07	\$ 3,004.83	\$ 2,234.38	\$ 258,213.97
Purchases	738,365.61	119,296.05		135,853.09		171,669.90	2,535,075.07
Loss in transit	479.41	1,334.33					
Freight Inwards		1,764.93					
Cartage Inwards		371.63					
Unabsorbed Factory Exps.					21,696.91		
Transportation		191.50					
Cost of Raw Materials Sold.					21,682.61		
Transferred from Raw Materials.					5,206.36		
	\$746,150.78	\$125,537.59		\$140,732.07		\$7,590.71	\$2,793,591.04
	\$746,150.78	\$125,537.59	114,664.03	\$140,732.07	\$17,305.25	\$ 678,209.99	\$2,793,591.04
Less:							
Stocks — 31.12.64.	80,843.88	8,518.48	921.21	2,338.89	\$ 5,648.37	2,592.45	155,428.19
Transferred to Raw Materials.					6,643.75		
Transferred to Processing A.C.					16,851.91		
	\$665,306.90	\$117,019.11	\$113,712.70	138,390.18	\$198,166.21	\$ 675,617.54	\$2,638,162.85
Sales	721,176.67	126,320.51	126,114.96	180,703.87	90,605.91	376,071.44	2,589,272.72
Gross Profit (Loss)	\$ 55,869.77	\$ 9,301.40	\$ 12,372.17	\$ 12,319.69	\$ 17,360.30	\$ (299,546.10)	\$ (48,890.13)
Sundry Revenue	43.96	266.38		21,641.64	41.12	1,054.90	1,096.00
	\$ 55,913.73	\$ 9,567.78	\$ 12,372.17	\$ 63,932.33	\$ 17,319.18	\$ (298,491.20)	\$ (47,794.13)
Operating Exps.	\$ 84,135.49	\$ 12,462.01		\$ 68,660.91			\$ 11,292.52
Raw Milk-Sour, Leakage etc.						\$ 6,291.47	
Raw Milk-Free Distribution & Samples						6,220.56	
Admin. Exps.	64,416.59	10,277.28	6,956.01	9,702.32	11,125.31	36,089.35	35,278.10

GUYANA MARKETING CORPORATION

GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DEC. 1964

Departmental Trading Profit/(Losses)

Produce:— Georgetown	\$ (92,688.35)
New Amsterdam	(13,171.54)
Ham and Bacon Factory	5,416.16
Fish Market and Centre	(14,410.90)
Processing Factory	(28,644.49)
Milk Pasteurisation Plant	(392,211.76)
Edible Oil Section	(94,364.76)
Operating Loss before Depreciation	\$ (630,025.64)
Add:— Depreciation	37,065.65
	\$ 667,091.29
Less:— Profit on Sale of Motor Vehicle	339.37
	\$ 666,751.92
Add:— Interest on Guyana Govt. Account	77,147.55
	\$ 743,899.47
<u>Less:— Subsidies received from Government</u>	631,610.00
Net Loss for year per Balance Sheet	\$ 112,289.47

OFFICES IN THE UNITED KINGDOM (LONDON, MANCHESTER, NOTTINGHAM, GREAT YARMOUTH, BIRMINGHAM) : FRANCE (PARIS) : WEST INDIES — ANTIGUA, BARBADOS, BRITISH HONDURAS, DOMINICA, GRENADA, JAMAICA, ST. LUCIA, TRINIDAD. WEST AFRICA — GAMBIA, GHANA (ACCRA, KUMASI), LIBERIA, NIGERIA (LAGOS, KADUNA, ZARIA, KANO), SIERRA LEONE. REPRESENTED IN — AUSTRALIA, BELGIUM, CANADA, HOLLAND, IRELAND, RHODESIA, SOUTH AFRICA, SWEDEN, THAILAND, U.S.A., ZAMBIA.

**PANNELL FITZPATRICK GRAHAM & CREWDSON
and FITZPATRICK, GRAHAM & CO.**

CHARTERED ACCOUNTANTS

RESIDENT PARTNERS:—

A. S. RIDLER
E. D. HAYDEN

IN LONDON

C. F. FARRAR
W. J. LEEMING
G. GOLDING
W. G. MEDLAM
F. A. H. SKINNER
R. H. MORE
G. W. MURPHY

IN

BARBADOS
AND
TRINIDAD

J. MILLIKEN
E. H. CHILCOTT
D. F. DAVIS

P.O. BOX 37

THE DEMERARA LIFE BUILDINGS,
GEORGETOWN,

GUYANA.

TELEPHONE: 3226, 3227, 3228

TELEGRAMS: FITZPAT GEORGETOWN

CABLES: FITZPATRICK GEORGETOWN
GUYANA

CODES: BENTLEY'S SECOND

9th October, 1967.

REPORT OF THE AUDITORS ON THE ACCOUNTS OF GUYANA
MARKETING CORPORATION
FOR THE YEAR ENDED 31ST DECEMBER, 1964.

We have examined the Accounts of Guyana Marketing Corporation, which are in agreement with the books of the Corporation, and report that we have obtained all the information and explanations we have required.

We further report that, in our opinion, the annexed Balance Sheet dated 31st December, 1964 and the General Profit and Loss Account for the year ended on that date, are properly drawn up so as to give respectively a true and correct view of the state of the Corporation's affairs at the 31st December, 1964, and of the deficit for the year then ended, in accordance with generally accepted accounting principles.

Pannell Fitzpatrick Graham & Crewdson } AUDITORS

CHARTERED ACCOUNTANTS

GUYANA MARKETING CORPORATIONSTOCKS AND WORK-IN-PROGRESS AT 31ST DECEMBER, 1964Produce — Georgetown

Wholesale Produce Stock		\$ 76,414.64	
Central Retail "		3,890.58	
Kitty Self-Service		538.66	
Goods on Consignment		1.88	\$ 80,845.76

Produce — New Amsterdam

Depot Stock		\$ 8,518.48	
Goods on Consignment		107.54	8,626.02

Ham & Bacon Factory

Ham & Bacon Finished Products		921.24	
Goods in Process:—			
Fresh Pork	\$ 963.23		
Pork in Process	3,549.86	4,513.09	
Preservatives		1,789.29	7,223.62

Fish Market & Centre

Fish		\$ 1,453.15	
Gasolene & Oil		885.74	
		\$ 2,338.89	
Refrigeration Plant Supplies	\$ 8,979.28		
Scrap Iron	10.46	8,989.74	11,328.63

Processing Factory

Raw Materials — Mon Repos		\$ 2,727.96	
" " — Kingston		34,860.74	
Finished Products		5,643.37	
Manufacturing Supplies		217.14	
Finished Products — Suspense		374.14	43,823.35

Milk Pasteurisation Plant

Stock :— Milk Pasteurised	\$ 787.25		
" Chocolate	136.00		
Ghee	1,669.20	2,592.45	
Stores:— Milk Powder	\$ 346.88		
Chocolate Milk Materials	1,215.98		
Foil, cleaning mats etc.	2,324.52		
Oil — Boiler	284.73		
Spare Parts etc.	401.96		
Motor Parts	180.06		
Milk Bottles	73,681.76		
Wire Crates	6,922.96		
Carried Forward	\$ 85,358.85	\$ 2,592.45	\$151,847.38

GUYANA MARKETING CORPORATION

STOCKS AND WORK-IN-PROGRESS AT 31ST DECEMBER, 1964

Appendix B
Cont'd.

Brought Forward	\$ 85,358.85	\$ 2,592.45	\$151,847.38
Milk Pasteurisation Plant (Cont'd.)			
Milk Churns	9,989.61		
Lab. Supplies	2,173.84	<u>97,522.30</u>	100,114.75
<u>Oil Section</u>			
Deodorised Coconut Oil		86,477.93	
Soya Bean Oil		<u>68,950.26</u>	155,428.19
			<u>\$407,390.32</u>