The work programme for Committee III, as set out in its first report, includes a "study of measures which might be taken by less-developed countries ... in order to improve their own production and marketing techniques." In its second report, the Committee invited its members to submit information and analytical comments on their experience in this and other matters referred to in Part II(3) of the programme which might assist the Committee in its further work (L/1063).

Attached for the information of the Committee is a memorandum submitted by the Government of the United Kingdom describing the operations of Marketing Boards, to assist in improving production and promoting sales, in some of the dependent overseas territories of the United Kingdom.
METHODS OF IMPROVING PRODUCTION AND MARKETING OF PRIMARY PRODUCTS IN BRITISH DEPENDENT TERRITORIES

Import Controls

Imports of almost all primary products into British dependent territories have been liberalized for a considerable time; this now applies also to the imports of most manufactured goods. Although Customs duties are an important element in public revenue in many territories, particularly where the scope and practicability of direct taxation is limited, the level of duty on primary products is usually nil or very small and the effect on the trade of other primary producers can, at the most, be marginal.

Marketing Boards

Great attention has been paid in the territories to the marketing of export commodities, and in many cases also, as for example in Hong Kong and parts of East Africa, of internal consumption goods. In particular, Marketing Boards have been set up by local legislation in many territories in East and West Africa, in the West Indies region and elsewhere. The export commodities which these Boards cover vary from territory to territory, but include, in different territories, cocoa, coffee, cotton, groundnuts and other vegetable oil products, tobacco, etc. (Sugar - an important export in many areas - is marketed under the terms of the Commonwealth and International Sugar Agreements.) A Board may cover one or more commodities and may operate throughout a territory or in a specified area only within a territory. Such Boards have a monopoly of purchase for export.

The primary purposes of Marketing Boards are to provide improved facilities for the collection, internal transport and sale of marketable commodities; accordingly many such Boards also undertake various measures to improve the quality of production itself. To this end, these Boards have paid considerable attention to disease control and to the maintenance and extension of research, both into improved varieties and into ways of combating diseases and pests. Many Boards also enforce grading controls, and often provide a premium price for improved quality.

In these matters close cooperation and assistance is provided by Government. Broadly, it may be said the provision of new planting material in quantity is made by Government from its own nurseries and advice on planting and cultivation is given to growers by Government Agricultural Officers, particularly through the extension services. Accordingly, the operations of the Marketing Boards begin mainly when the produce is being harvested. In view, however, of the value both to the territory as a whole and to individual farmers of adequate disease control and research, it is frequent for Government and Marketing Boards to cooperate in those matters in ways decided locally; often the expenditure involved is provided by Government and the Boards jointly.
The methods by which Marketing Boards sell their commodities vary, but all are sold at the world price. Some Marketing Boards operate Price Reserve Funds, under which the price to the producer would normally be guaranteed for a season, any surpluses or deficits on the Board's operations then being paid into, or met out of, the Price Reserve Funds. Such Boards do not guarantee price stability over a period of years but tend to even out the effects of changes in world prices between one season and another, as well as avoiding price changes during a season. Many other Boards do not operate such funds but average out the sale value of exports over a season which are made over directly, in one or more payments, to the producers. The choice of whether to operate a Price Reserve Fund or not is for local decision. The effect, however, in either case of averaging out prices during a season is highly beneficial to the quality of the exported produce, as it avoids either premature or delayed cropping by farmers in an attempt to take advantage of actual or expected price movements.

Co-operatives

In certain territories also the functions of former Marketing Boards have been taken over by Producers or Marketing Co-operatives, or such Co-operatives may have been developed as an alternative to Marketing Boards; in cases where co-operatives are less developed, they are often important suppliers to Marketing Boards. The Governments of dependencies pay much attention to the development of Producers Co-operatives and considerable assistance and guidance in various ways is provided by the local Co-operative Departments. In 1958, the total number of Marketing Co-operative Societies was over 4,500, and the total value of produce marketed by them was some £49 million.

Marketing Advice

Another valuable function of Marketing Boards and of Producers Co-operatives has been the securing and dissemination of market advice so that the products exported may be better adapted for sale in the final market. Accordingly close co-operation is often maintained with consumer or trade organizations in the main markets. The technical advice of the Tropical Products Institute in London is readily available regarding marketing, processing, etc. In view of the large number of small farmers these many functions of Marketing Boards or of Producers Co-operatives have been of great value.

Export Duties

In some territories, export duties are a source of public revenue, and may provide, in a partly cash and partly subsistence economy, as close an approach as practicable to a direct tax on income. In some cases the duty may be on a specific or a flat percentage rate; in others it may be on a sliding scale according to the selling price sometimes operating only above a
specified export price. In most cases the incidence of the duty is not considerable unless the export price is unusually high at the time. Bearing in mind the significant contribution which local revenues make towards the financing of Development Plans, and the increasing level of services required in the more advanced territories, it is important that in appropriate cases a contribution should be made from this kind of duty.

Research

Reference has been made above to the importance of research. Some examples of the organization or work undertaken may be mentioned. In East Africa, the East African Agricultural and Forestry Research Organization and the East African Veterinary Research Organization provide extensive research on agricultural and animal husbandry problems; considerable research is also carried out specifically on coffee, sisal and tea in the territories primarily concerned. In West Africa, research on cocoa is carried out at the West African Cocoa Research Institute: the main centre is in Ghana, but there is a sub-station in Nigeria. Research into palm oil problems is carried out in the West African Institute for Oil Palm Research. Research in rice is carried out at the West African Rice Research Station, Sierra Leone. In the West Indies much work is done by the Regional Research Centre and the Imperial College of Tropical Agriculture on bananas, cocoa, and, at the latter, on the milling and chemical aspects of the sugar industry: sugar plant breeding work is concentrated at the Central Sugar Breeding Station in Barbados. In Mauritius extensive sugar research is carried out. Research work on cotton is conducted in various territories by the Empire Cotton Growing Corporation. As regards rubber the British Rubber Producers Research Association and the Natural Rubber Development Board are based in the United Kingdom.

As noted above, expenditure on research is in general met partly by Marketing Boards or other associations of the industry concerned, and partly by Government. Government finances may be provided by the governments of territories themselves from their own resources, or from Colonial Development and Welfare Funds provided centrally by the United Kingdom. A central committee in London, the Colonial Agricultural, Animal Husbandry and Forestry Research Committee, with the assistance of eminent experts, advises on the best research use of these central Colonial Development and Welfare Funds for the benefit of agricultural development in the dependent territories as a whole.

It will be seen therefore that great attention has been given in the dependent territories to the development and improvement of marketing and to research work.
Development Plans

Some reference should also be made to the development plans of dependent territories, under which great advances have been made in post-war years in the economic (including communications), educational, medical and other spheres. These are financed partly from local resources, e.g., revenue, local loans; from external loans, mainly to date from the London capital market; and from the monies provided by the United Kingdom Government under the Colonial Development and Welfare Acts. Since 1946, some £40 million have been made available under these Acts for purposes connected with food and agriculture, including irrigation drainage land settlement and soil conservation) apart from larger amounts derived from other sources for these purposes. Additionally, the export trade of dependencies has benefited greatly from other expenditure, e.g., on roads, portworks and other communications, as well as from the above-mentioned work on research. In the period 1955/59, £45 million of loans was raised in the London capital market by dependent territories, much of which has been devoted directly to economic projects. Apart from making available a further £95 million of Colonial Development and Welfare money for all purposes up to March 1964, a recent Act also gives the United Kingdom Government powers to make Exchequer loans of up to £100 million to supplement loans raised elsewhere. Additionally, the Colonial Development Corporation, whose capital derives from United Kingdom Government sources, plays a significant part in assisting economic development: the total of capital expenditure agreed is now of the order of £100 million, of which some two-thirds has already been spent. (These figures include projects undertaken or begun in the Federation of Malaya and Ghana prior to independence.) A considerable volume of private investment from the United Kingdom also assists the economic progress of the dependencies.