GENERAL AGREEMENT ON
TARIFFS AND TRADE

STATE-TRADING ENTERPRISES

Notifications Received Pursuant to Article XVII 4(a) in Reply
to the New Questionnaire Contained in Document L/1014 of 3 July 1959

GHANA

I. Enumeration of State-Trading Enterprises

A. The Ghana Agricultural Development Organization

   Products
   (a) Palm kernels
   (b) Palm kernel oil
   (c) Palm oil
   (d) Copra
   (e) Coconut oil
   (f) Shea nuts
   (g) Shea butter
   (h) Coffee
   (i) Groundnuts
   (j) Bananas

B. The Ghana Cocoa Marketing Board

   Cocoa

A. THE GHANA AGRICULTURAL DEVELOPMENT ORGANIZATION

IIA. Reason and Purpose for Introducing and Maintaining the State-Trading Enterprises

   The Ghana Agricultural Development Corporation was established under Ordinance
   of 1955 and was brought into being on 16 May 1955. The Corporation amalgamates
   the functions of the former Agricultural Produce Marketing Board and the Agricultural
   and Fishery Development Corporation. Under the Ordinance the products mentioned
   above under IA have been brought under the competence of this Corporation except
   bananas which were added to the schedule of products affected by Legal Notice
   No. 269 dated 26 August 1955.

   The duties of the Corporation include the control and publication of prices to
   be paid for scheduled produce. The Corporation maintains minimum prices payable to
producers for a period of six months and over, the intention being to stabilize prices, to protect the farmers against exploitation by private trading organizations engaged in the trade and to give them an assured market.

IIIA. Description of the Functioning of the State-Trading Enterprise

(a) The Corporation is mainly concerned with export of the scheduled produce but as domestic consumption is such that there is no exportable surplus of (b), (c), (e), (g) and (i) exports have been confined to palm kernels, copra, shea nuts, coffee and bananas.

(b) Private traders are not allowed to export but may import such produce as they wish subject to obtaining the necessary import licences. The Corporation employs the services of licensed buying agents (which include foreign-owned and Ghanaian-owned firms as well as private traders) from the time produce is purchased from producers up to the time of placing such produce on board ocean-going vessels.

(c) All quantities purchased by the buying agents on behalf of the Corporation, which, on examination by the Produce Examination of the Grading Division are of exportable quality, are all available for export where markets are forthcoming.

(d) All produce is sold on f.o.b. basis to a subsidiary of the Corporation, namely, the Ghana Produce Marketing Company, London. There is no record of imported products nor figures of re-sale prices of imports as compared with domestic prices.

(e) Before 1954 the Corporation entered into long-term contracts in respect of sale of palm kernels with the United Kingdom Ministry of Food. Since mid-1954 sales of palm kernels, copra, and shea nuts have been based on specific contracts. Sales of coffee are conducted by auctions. Bananas have been consigned to Geo. Munro Ltd., of London which renders accounts sales after each transaction.

IVA. Statistical Information

See Annex A.

VA. Reasons why no Foreign Trade has Taken Place (if this is the case) in Products Affected

As already stated above (IIIA(a)) exports have not taken place where there are no exportable surpluses.

VIA. Additional Information

None.
B. THE GHANA COCOA MARKETING BOARD

IIIA. Reason and Purpose for Introducing and Maintaining the State-Trading Enterprise

During the 1939–45 war His Majesty's Government in the United Kingdom bought all West African cocoa under guarantee. For this purpose the West African Produce Control Board was formed, and it ultimately became responsible for the whole of the overseas marketing. This war-time experience showed how controlled marketing could break the direct link between the producer price and the world market price and protect the farmer against excessive price fluctuations; it was accordingly decided to form a permanent organization to maintain these benefits. The Ghana (then Gold Coast) Cocoa Marketing Board was therefore established in 1947.

IIIB. Description of the Functioning of the State-Trading Enterprise

The Ghana Cocoa Marketing Board Ordinance, 1947 provides that:

Section 6(1) It shall be the duty of the Board to secure the most favourable arrangements for the purchase, grading, export and selling of Ghana cocoa, and to assist in the development by all possible means of the cocoa industry of Ghana for the benefit and prosperity of the producers.

(2) In particular, and without prejudice to the generality of the foregoing, the Board shall have power:

(a) To control and fix with the prior approval of the Governor in Council the prices to be paid from time to time to Ghana producers for their cocoa and to arrange in such manner as the Board shall think fit, to notify such prices.

(b) To purchase cocoa and to do all things necessary for and in connexion with the purchase from producers of Ghana cocoa.

(c) To appoint licensed buying agents for the purchase of cocoa on behalf of the Board.

(d) To grant, renew or withhold licences for each crop year to such agents, to impose conditions upon the grant of such licences, and to cancel or suspend any such licences for breach of any such conditions or other good cause.

(e) To grant, withhold or cancel in any case any written authority provided for by Section 9 of this Ordinance.

(f) To sell cocoa and to do all things necessary for and in connexion with the selling, exporting, shipping and storage of Ghana cocoa.

(g) For or in connexion with any of the purposes of this Ordinance and with the prior approval of the Governor in Council to buy, underwrite, subscribe, sell or otherwise turn to account any stocks, shares or securities of any company registered under the Companies Ordinance or established under the Companies
Act in Great Britain or in the United States of America the activities of which company are limited by its constitution to the operations necessary for the purchasing, importing, storage, exporting, shipping, selling or dealing in cocoa.

"Section 9: From and after the commencement of this Ordinance:
(1) No person shall purchase cocoa except:
   (a) The Board, or a person authorized to purchase cocoa for sale to the Board;
or
   (b) a licensed buying agent or a person authorized to purchase for sale to such an agent;
or
   (c) a person acting upon the written instructions of the Board.

(2) No person shall export any cocoa except:
   (a) Cocoa which is the property of the Board;
or
   (b) cocoa the export of which has been authorized."

In practice the Cocoa Marketing Board is the sole exporter of cocoa from Ghana. The Board maintains a subsidiary company in London, the Cocoa Marketing Company Limited, which undertakes the negotiations of all sales of Ghana cocoa on behalf of the Cocoa Marketing Board. Sales are made to all overseas countries without restrictions.

IVB. Statistical Information

Figures of export during the last three years available are reproduced in Annex B.

VB. Reasons why no Foreign Trade has Taken Place (if this is the case) in Products Affected

Not applicable.

WIB. Additional Information

None.
ANNEX A

GHANA

Exports of Products Handled by the Ghana Agricultural Development Corporation

<table>
<thead>
<tr>
<th>Product</th>
<th>1956</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>f.o.b. Value</td>
<td>Tons</td>
</tr>
<tr>
<td>Palm kernels</td>
<td>10,736</td>
<td>377,915</td>
<td>7,080</td>
</tr>
<tr>
<td>Copra</td>
<td>4,446</td>
<td>16,614</td>
<td>3,388</td>
</tr>
<tr>
<td>Coffee</td>
<td>741</td>
<td>370,078</td>
<td>340</td>
</tr>
<tr>
<td>Shea nuts</td>
<td>611</td>
<td>46,091</td>
<td>574</td>
</tr>
<tr>
<td>Bananas</td>
<td>51,759</td>
<td>43,306</td>
<td>64,411</td>
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</tbody>
</table>

ANNEX B

Cocoa Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Tonnage</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957/58</td>
<td>206,624</td>
<td>£62,874,774</td>
</tr>
<tr>
<td>1956/57</td>
<td>267,534</td>
<td>50,686,068</td>
</tr>
<tr>
<td>1955/56</td>
<td>235,996</td>
<td>52,333,327</td>
</tr>
</tbody>
</table>